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Trade and Industry

25 February 1977

News from the Departments of Industry·Trade·Prices & Consumer Protection

Capacity of freighting services into Europe has expanded rapidly in recent years. Current facilities and future trends are surveyed in our Freighting into Europe feature. See page 498

Trade and Industry

Incorporating the Board of Trade Journal

Volume 26 no. 8.

Pages 473 to 544. 25 February 1977.

Price 35p. Net subscription post inclusive, £24.99

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Subscriptions: HMSO PO Box 569, London SE1 01-928 6977 ext. 472

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Trade and Industry this week

HOME
Price rise investigatory system proposed

Price control through a new investigatory system is proposed by the government to replace present powers of enforcing the Price code, due to expire on 31 July. The system would supersede control over price increases by reference to costs.

The government's proposals are set out in the consultative document 'A new prices policy' published on Tuesday. Closing date for comments is 18 March.

The proposals are designed to 'maintain a control across the board. They would relieve companies of the rigidities of the present cost controls and the administrative burden the latter create. They would establish a new regime in which pricing decisions, which affect the whole of society, would be made socially accountable.'

The government proposes to retain powers to make and enforce a Price Code in order to maintain control over the net profit margins of manufacturing and service firms and the gross and net margins of distributors. The Price Code provisions relating to margin control, including the present investment relief and the provision made in last year's code amendments for the revision of reference levels, will be maintained. Consideration will be given to providing for current cost accounting to be used for the margin control, once an accounting standard has been issued, by those firms which adopt it in their accounts.

The present cost control rules for manufacturing and service firms have become overcomplicated and inflexible.

Investigations

The government therefore proposes to strengthen the investigatory system as a central part of the new policy. The Secretary of State for Prices and Consumer Protection would have powers to act in the cases of unreasonable price rises or unjustified prices. Chief features of the new approach are:

all prices and all enterprises would come within the scope of the new policy subject to certain exceptions to be specified by order (eg coal and steel prices). The number of exceptions would not be large;

the Price Commission would take on new functions;

the larger manufacturing and service companies would be required to continue to prenotify their price increases (subject to exceptions similar to those applying under the present controls);

the commission would select price increases for investigation and in these cases make recommendations to the secretary of state as to price increases which should be allowed;

the secretary of state would have powers to act on the commission's recommendations, subject to parliamentary procedure;

the secretary of state would also have powers to order inquiries into prices and pricing practices and to act on recommendations, subject to parliamentary procedure.

Individual enterprises

The Price Commission would decide, by reference to published criteria (see *Price inquiry criteria* below) whether it wished to investigate a pre-notified price increase, the gross margin of a distributor who renders regular reports, or the prices or margins of any other enterprise.

Price inquiry criteria

The criteria would require the Price Commission and the secretary of state to have regard to maintaining price levels which are equitable to consumers and remunerative to efficient manufacturers, distributors and providers of services. Among the relevant factors they would have regard to:

allowance for costs unavoidably incurred in the efficient supply of goods and services, taking account of the maintenance of the value of the business;

the encouragement of the reduction of costs by improving the use of resources, while ensuring that the consumer shares in the resulting benefits;

the earning of profits which give a real rate of return on capital employed sufficient to meet the cost of finance, including compensation for the business risk, and to sustain investment in expansion, innovation and technical

Prices policy and industrial strategy

'Prices policy must fit in with our overall industrial strategy,' said Roy Hattersley, Secretary of State for Prices and Consumer Protection, introducing the new consultative document on 22 February, 'It must not deter enterprise or inhibit growth. That means that the policy which succeeds our present price control, when parts of the 1973 act expire in August, must be something new and different.

'There will now be a month of consultation on the document,' he said. 'I look forward to hearing the formal response of trade unions, industry, and the consumer movement. I believe that the policy which I propose deserves wide acceptance. I will do all I can to bring that happy state about, but I shall not be able to give the unreasonable assurances demanded by those who reject any form of prices policy. Even before that period of consultation begins let me answer some of the questions that our new proposals are certain to provoke:

'First, is the new scheme more effective than the old? To that question the reply is a simple "yes". Since the summer of 1976, prices have been kept well below the code levels by market forces. The new scheme will, I believe, be less onerous on many firms who previously wasted time and labour to demonstrate that every price increase they proposed was justified. But it will enable us to prevent unjustifiable price increases in a way the old code failed to do.

'Second, does the new policy deter or encourage the investment which is an integral part of our industrial strategy? Its clear intention is to encourage increased investment. I said earlier how vital wage restraint was for our future economic success. It is equally vital for industry to increase its level of investment. Under the old code we had two options. The first was to run the whole scheme at so restrictive a level that profits were squeezed to a point where new investment was impossible. The second was to encourage investment in the least profitable firms by operating so loose a control that many companies made unacceptable profits which were not reinvested The new scheme is intended to be more discriminating. We need to be concerned about the use of profits as well as their size. The new scheme aims to make that distinction possible.

'The bill which I offer to parliament will propose powers which last indefinitely. Of course, the need for a prices policy is especially great during a period of wage restraint. Workers who voluntarily accept austerity must be assured that the prices they pay are justified. But I regard the new scheme as having a more lasting importance. I believe absolutely in the mixed economy. For it to prosper and survive, there need to be ground rules which ensure that it works on behalf of the whole community. We have – or we ought to have – grown out of the belief that the economy left to itself solves all our problems. The monopolies and mergers legislation of the last thirty years has provided valuable protection against the exploitation of market power. The proposals I announce today will extend and improve that process.'

improvement;
the maintenance of quality and the satisfaction of changing consumer demands for goods and services;
the encouragement of competition as contributing to price stability; or where competition is unavoidably limited the protection of the consumer against abuse of market power;
the promotion of equilibrium between supply and demand and the avoidance of serious shortages or adverse effects on the balance of payments;
the maintenance and expansion of the British share of world markets.

General inquiries

The secretary of state would have powers to require the commission to investigate for example, the price of a product made or sold by several enterprises, prices in a sector or a prevailing pricing practice. Like the investigations into individual enterprises, those ordered by the secretary of state would, where appropriate, go into costs and profits. The same criteria as would be used for the individual investigations would guide both the secretary of state in deciding to order an investigation and the commission in conducting it.

Much of the commission's work under concerning individual enterprises is expected to concern the pre-notifying manufacturing and service firms. These firms would not be able to increase any price during the 28-day prior notice period. If the commission decided on an investigation, the price which it was proposed to increase would remain frozen for three months (beginning from the date on which the investigation was announced). The commission would, however, be able to award an interim price increase and would be required to allow this in cases where the profit margin would otherwise be lower than safeguard levels. The secretary of state would be able to order the discontinuation of an investigation at any stage in the proceedings.

In the case of distributors, it is not possible to freeze all their prices, or a block of them. But the commission's recommendations arising from any investigation into an individual distributor could relate to the gross margin obtained in the period starting from the date on which the investigation began.

The government proposes that there should be safeguard levels below which the profit margin on the product (manufacturers and services) or on the business (distributors) may not be depressed as a result of any order made by the secretary of state following an investigation.

The investigations would be totally different from the quasi-mechanical measurement of a proposed price increase against a collection of rules contained in a code. They would take account of the particular conditions in the enterprise; they would not, as in the code, regard cost increases as inevitable but could go into the reasons for (and against) them; and third parties would be able to put their views to the commission. Part of the investigation might take the form of public hearings, if requested by the company.

The present code provides a sanction against breaches of any pay policy currently operative. The proposed new prices policy would contain a similar provision.

During such investigations the question of a price freeze would not arise; and these investigations would not be limited to a period of three months. The Price Commission would be required to make recommendations to the secretary of state, and he would pursue them with the enterprises concerned. He would have powers to make orders relating to prices and charges which followed from the commission's recommendations or to accept legally binding undertakings from enterprises.

Comments on these proposals should be sent to the Department of Prices and Consumer Protection (Prices Policy Division), 1 Victoria Street, London SW1 0ET, by 18 March 1977. Copies of the document can be obtained from the same address. Detailed proposals on the revised Price Code, which would contain the margin controls and the safeguards relating to investigations, will be the subject of further consultations before the code is made by statutory instrument under the proposed new legislation.

OVERSEAS

Suits from eastern Europe

An announcement on the Department of Trade's investigation into imports of suits from eastern Europe is expected in the next few days. Opening the debate on the EEC and international trade in textiles in the Commons on 21 February, Parliamentary Under-Secretary of State for Trade Michael Meacher explained that discussions with the governments concerned had reached a very advanced stage. He said he was confident that the department's announcement would do a good deal to ease the concern of the UK clothing industry.

During his speech Mr Meacher also said that he wished to draw attention to a regulation providing for community tariff quotas in 1977 for imports of certain hand-woven fabrics of cotton and silk from eight developing countries including India, Pakistan, Bangladesh and Sri Lanka.

Difficulties had arisen, he said, with imports of certain made-up goods, notably shirts of cotton handloom fabric. These were not included in the tariff quotas, which were both small and provided for automatic reintroduction of duty once the ceiling was reached.

He said that a *note verbale* had been handed to the Indian representatives in Brussels on the afternoon of 21 February informing them that the community intended to introduce immediate surveillance measures and intended to take action if the level of trade in 1977 looked like exceeding certain reference levels. Mr Meacher gave his assurance that the effect of this *demarche* in Brussels would be that for woven cotton shirts and blouses of all types imported into the UK from India, trade in 1977 would be significantly below 1976 levels.

EUROPE

USSR fish talks continue Monday

Negotiations between the EEC and the USSR for a long-term framework agreement on fisheries are to continue in Brussels on Monday (28 February).

In a joint communiqué issued on 18 February, the delegations announced that the first round of talks had resulted in a wide measure of agreement on the general principles.

They agreed that the next step was to work out the terms of such an agreement and this task had begun with an exchange of more precise views on elements for an agreement.

The USSR delegation was led by the Minister for the Fisheries Industry, Mr Ishkov, and the EEC delegation was headed by David Owen, on behalf of the presidency of the council, with Finn Olav Gundelach, vice-president of the commission.

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Home news

'Planning agreements misunderstood' – Kaufman

Much of the widespread suspicion about planning agreements has been the result of misunderstanding, Gerald Kaufman, Minister of State, Department of Industry, said on 17 February at the annual dinner of the Institute of Bankers in York.

'We have been disappointed with the lack of progress on planning agreements,' said Mr Kaufman. 'There is still widespread suspicion of the idea in industry. Much of this suspicion has been the result of misunderstanding. Industry often asks for more understanding in government of its problems and needs: planning agreement discussions give industry the chance to secure that understanding.

'There are genuine substantial benefits for firms in the planning agreements system, and I hope that firms will give the idea fair and careful consideration. First, they will help the development of a better understanding by government of industry, and a better understanding of the individual firm's plans and problems, which will in turn influence the government's development of industrial economic and other relevant policies.

'Second, they will provide an improved framework for consultation with government and for solving difficult issues, bringing in all the government departments involved. Within this framework the discussions might, for example, aim to identify any specific constraints which are inhibiting profitable growth and identify areas for co-ordinated action by government departments and the firm.

'Third, and leading on from this, they will provide the opportunity for a firm to secure specific commitments by government to tackle the particular problems experienced by the firm, commitments which, because they are recorded in the agreement, can be monitored by the firm.

'Fourth, they will provide access to the powers in the 1975 Industry Act which will enable the government to guarantee the level of appropriate financial assistance for a project identified in the planning agreement, which, of course, provides a firmer base for company decision-making. This is, incidentally, the only part of a planning agreement which will be legally binding.

'And fifth, since it is intended that companies should consult their workforce, planning agreements will provide a means of improving employee participation, building in a flexible way on a firm's existing participation arrangements to help to secure co-operation by the workforce in carrying out the company's plans.'

National Enterprise Board

Mr Kaufman talked of the role of the National Enterprise Board in promoting industrial efficiency and industrial re-organisation. He said that even in its short life the NEB has proved its value. 'It has been evident, for example, that smaller companies in the UK have difficulty in expanding the scale of their operations, even where this involves highly competitive products, perhaps because the returns are likely to be in the long rather than the short term. In a number of such cases the NEB has been able to provide assistance which has not been forthcoming from other sources.

'Similarly, British industry has in the past experienced difficulty in getting financial and other assistance for re-organisation or restructuring, particularly in sectors where the growth potential appears limited but in which performance is vital to other sectors of manufacturing. A number of sector working parties have suggested that restructuring is necessary to improve performance and competitiveness, and this again is an area in which the NEB can contribute to the industrial strategy work.

'The NEB is already involved in several of the five sectors which the government, with the NEDC's endorsement, has adopted for priority attention. So the board will have an immediate role in the industrial strategy. Over the next two financial years the expenditure provision for the NEB has been increased by £100 million, which means that it has substantial funds for such work.'

Industrial democracy in the Post Office

Proposals for a two-year experiment in industrial democracy at board level have been agreed by a joint Post Office and Union study group. The study group report will be considered in due course at a tripartite meeting of the government, the Post Office Board and the unions.

Under the proposed scheme the Post Office Board would be made up of three groups comprising up to six full-time management members, a matching number of union members and four independent outside members. The chairman would be additional to these three groups unless he was also formally designated chief executive (or any other specific and titular executive post) when he would be counted as one of the management number on the board. The size of the board would maintain an appropriate breadth of ability and encourage consensus decision-taking, but would not be so large as to inhibit individual participation.

The Secretary of State for Industry appoints the chairman of the Post Office and, after consultation with the chairman, the other board members. No change in this responsibility is proposed.

All staff, through their unions, would be involved in the process of nominating and selecting candidates for the union seats on the board. The unions' nominees for such seats would be of the standing of executive council members, or full-time officers, of a Post Office union. They would accept and discharge all the responsibilities and obligations of other board members. They would not be 'mandated' by the unions but they would need to report back to their 'constituencies' as appropriate. For the period of their appointment they would relinquish any direct negotiating responsibilities within the Post Office.

The group of outside members would be genuinely independent and not be selected so as to produce either a management or union bias. To this end, it is proposed that the secretary of state would consult both the Post Office and the Council of Post Office Unions, would not make an appointment against the reasonable objection of either, and would not be bound to accept candidates or to confine himself to candidates nominated by the parties.

Increased grants for English Regional Development Associations

Substantial increases in the grants payable to English Regional Development Associations for each of the next three years were announced on 18 February by Alan Williams, Minister of State, Department of Industry.

Mr Williams said: 'In this time of high unemployment, the work of the Regional Development Associations is particularly valuable; this is reflected in the very substantial increases that I have given.'

The new grants will be:

North of England Development Council	£250,000
North West Industrial Development Association	£135,000
Yorkshire and Humberside Development Association	£30,000

'These grants, given to supplement the funds raised locally by these organisations, are to enable them to seek out new industries for their regions by promotional activities elsewhere in the UK and overseas. The very substantial increases take account of the excellent work done by these organisations which in their activities, particularly overseas, work in close co-operation with the Department of Industry and with the overseas posts of the Foreign and Commonwealth Office.'

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£30m expansion for Shotts factory

£30 million is to be invested by the American-owned Cummins Engine Company in a new diesel engine plant at Shotts in Lanarkshire.

The news, announced simultaneously on 16 February in Glasgow and London, means that by 1980 the new plant will be producing 90 heavy-duty diesel engines a day – double its present output. In addition, some 1,200 new jobs will have been created by the time the plant is operating at full capacity.

Speaking in Glasgow, the company's vice president (Europe), Mr J. Patrick, said: 'This is an announcement of major significance to Cummins and one of considerable importance to the Scottish industrial scene and the economy as a whole.'

He went on to say that, when the new plant is in full production, Cummins' total UK workforce will represent one-third of the company's worldwide manpower: a fact representing a commitment to, and belief in, the economy of Britain and its workforce.

The plant to be built at Shotts will be one of the most modern industrial complexes in the world and has been designed around ideas solicited from Cummins' workforce.

Cummins has diesel engine plants at Shotts, Daventry and Darlington, (where three Queen's Awards to Industry for export achievement have been won). The company is one of the UK's top exporters with 74 per cent of its production going overseas.

Welcoming the news, Lord Kirkhill, Minister of State, Scottish Office said: 'As a result of the decline over the last half century in our traditional industrial activities, there has been a need for diversification and the creation of a new industrial base in Scotland.

'Companies from America have played a key role in this need. US manufacturing firms which have come here since 1945 presently employ about 50,000 people in Scotland – 8 per cent of the total manufacturing employment.'

Lord Kirkhill also emphasised that the investment was an affirmation of Cummins' confidence in the people it employed – in their skills, adaptability and resourcefulness.

Cummins has been established at Shotts since 1956 and the company feel that the £30 million investment will enable it to service the anticipated needs of customers in Europe, the Middle East and Africa.

Engines produced at Shotts are in the 250-400 h.p. range and are used by truck manufacturers such as Ford, Leyland and Seddon Atkinson and by specialists such as Foden and F.R.F. The Shotts-produced engines are also used extensively by a large number of construction and industrial equipment manufacturers, including Ingersoll-Rand, Clark Equipment and Coles Cranes.

Leyland Special Products announces 'largest-ever single investment programme'

Leyland Special Products has announced a £5 million modernisation and re-equipment programme for Aveling Marshall Ltd of Gainsborough, Lincs – the largest-ever single investment plan for a group member factory.

The plant – taken over by Leyland Special Products 18 months ago – produces crawler tractors and tractor shovels for the agricultural and construction industries. Over 800 people work on the site.

The £5 million capital investment programme – to be spread over the next two years – covers mainly factory renovation and modernisation.

Rolls-Royce Motors plans £13m investment

Rolls-Royce Motors plans to spend £13 million on capital projects this year – after spending £5 million in 1976.

The company has completed an engineering block at the Crewe works and a body store, which has released space in the production area. Production of Rolls-Royce cars has gone up from 2,000 in 1971 to over 3,250 in 1976. A new factory has been completed at Shrewsbury for the V range of diesel engines.

The company has achieved rapid growth in exports largely due to Rolls-Royce Motors International based in Lausanne with companies in the United States and a marketing division in Europe. In 1976 retail sales increased by 42 per cent in the United States cars and in Europe and the Middle East sales rose by 32 per cent and further increases are planned for 1977.

Total exports have risen in value from £12 million in 1971 to £50 million in 1976.

The company has introduced the Silver Shadow II and Bentley T2 four-door saloons.

Swedish clothing firm for St Helens factory

Janstorp International UK Ltd is negotiating the lease of a Department of Industry advance factory of 1,350m² (15,000 sq ft) built by the English Industrial Estates Corporation on the Lea Green Industrial Estate, St Helens, Merseyside. An immediate extension to the factory of 1,350m² has been approved by the department.

Janstorp International UK Ltd is a newly formed company established by Janstorp International AB of Svenljunga, Sweden. The company will use the premises for the manufacture of ladies' jeans and blouses for export. It is expected that about 200 people will be employed in the extended unit within the next two to three years.

Awards for advance factory design

Awards in the English Industrial Estate Corporation's national competition for advance factory design will be presented by Alan Williams, Minister of State, Department of Industry at the Shipley Art Gallery, Gateshead on 28 February. Mr Williams will also be invited by Sir Horace Heyman, the corporation's chairman, to perform the official opening of the exhibition of entries in the competition.

Telling north-east about BSI

Visits to Tyne and Wear and Teesside will be made by the British Standards Institution this spring to inform industry, local government and the public about the value of standardisation and the varied services BSI has to offer.

The 21-day programme will open with a reception on 19 April in Newcastle to give representatives of companies an opportunity to meet BSI staff and find out how standardisation can help them. Other events include two half-day conferences on BSI's Technical Help to Exporters service, a series of seminars organised by the Quality Assurance Department on Kitemark and Safety Mark certification, meetings aimed at introducing engineers to the benefits of BSI's frequent regional gatherings of Standards Associates, teach-in sessions for those responsible for educating the young consumer, special sessions to show teachers in technical education how to use British Standards as a source of teaching material, and a vigorous campaign of direct consumer interest – forums, exhibitions in shopping precincts, and study sessions for staff of shops and stores.

For further information contact Gordon Graham, BSI, Maylands Avenue, Industrial Estate, Hemel Hempstead, Herts, tel. 0442 3111.

Young engineers' competition date extended

In spite of a glittering first prize – a Concorde trip to America; a tour of engineering projects in Texas and a visit to the Lyndon Johnson Manned Spacecraft Centre – few entries have been received for a competition to find Britain's two top young engineers. To encourage more entries the intent to enter date has been extended to 1 March.

The competition, which is sponsored

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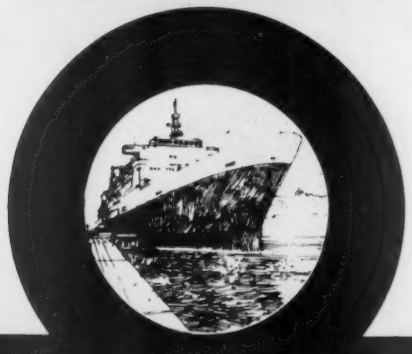

This is what Sea Sell '77 can offer your Company

From September 7th to September 17th the M.S. Bolero, of the Olsen/Bergen Lines will visit Bergen, Gothenburg, Stockholm, Helsinki and Copenhagen carrying a unique exhibition of Northern goods. This is your company's chance to exploit these key markets. Already 10% of UK's visible exports go to Scandinavia. Your company could make it more.

The exhibition will be staged on the car deck of the 'Bolero', providing over 800 sq. m. of space. 8 sq. m. units equipped with a shell scheme and full stand services will be available. The overall cost of each unit including the cost of two exhibitors for twelve days with full accommodation aboard the ship will be £3,950.

Itinerary

Sept. 5th/6th	Assemble exhibition.
Sept. 7th	Sail for Bergen.
Sept. 8th	Exhibition in Bergen.
Sept. 9th/10th	Exhibition in Gothenburg.
Sept. 12th	Exhibition in Stockholm.
Sept. 13th	Exhibition in Helsinki.
Sept. 15th	Exhibition in Copenhagen.
Sept. 16th	Sail to Newcastle arriving 17th Sept.

These dates and times are subject to final confirmation

What the Papers say

'We believe that this unique and exciting project will prove that industrialists, trade unionists, businessmen and newspapers can get together for a common cause . . . it will be well worthwhile for those involved and for the whole Region' (Geoffrey Baylis, the Editor, *Evening Chronicle*, Newcastle).

'The concept of a seaborne trade mission from the Northern Region to Scandinavia is one that deserves to succeed. It is a project to rouse the imagination and enthusiasm of the whole Region'. (Bill Sinclair, Editor, *Evening Gazette*, Middlesbrough).

'We need someone to speak for Cumbria and this is an opportunity that we cannot afford to miss. We are linked with the North East in this project. Pulling all the firms together under one umbrella, the area can turn the national spotlight on itself'. (Vernon Addison, Editor, *Cumberland Evening News and Star*).

Further Information
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Telephone 0632 23806 Telex 537212

Sponsored by The North of England Development Council,
the Newcastle Evening Chronicle, the Middlesbrough Evening Gazette and the Cumberland Evening News and Star
Organised by Fairs and Exhibitions Limited

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jointly by Pett (Project – Engineers and Technologists for Tomorrow), a government/industry/schools organisation and the *Daily Express*, is aimed at encouraging youngsters to develop their interest in engineering. Young people are invited to compete by producing a device, fabricating a piece of mechanical apparatus or electronic equipment, which would benefit industrial production, have commercial potential, save waste, make better use of energy resources, or improve an existing mechanical or electrical process.

Further details and entry forms are available from: 'Young Engineer for Britain' Competition, *Daily Express*, Fleet Street, London EC4.

Merger proposal referred

Roy Hattersley, Secretary of State for Prices and Consumer Protection, has decided to refer the proposed acquisition by Provident Financial Group Ltd of Cattle's (Holdings) Ltd to the Monopolies and Mergers Commission for investigation and report under the provisions of the Fair Trading Act 1973. The commission are being required to make their report within five months.

The decision to make a reference to the commission does not in any way pre-judge the question whether or not the merger concerned is contrary to the public interest. It is for the commission to report on this after investigation.

The proposed acquisition by Provident Financial Group Ltd of Cattle's (Holdings) Ltd is being referred under both the 'size of assets' and the 'monopoly' criteria of the act.

Clearance of merger proposals

Roy Hattersley, Secretary of State for Prices and Consumer Protection, has decided, on the information at present before him, not to refer the following proposed mergers to the Monopolies and Mergers Commission under the provisions of the Fair Trading Act 1973:

Arthur Guinness Son and Co Ltd/White Child and Beney Ltd;
Guinness Peat Group Ltd/London Electrical and General Trust Ltd;
Linfield Holdings Ltd and
Gateway Securities Ltd.

Inspectors' report

The Inspectors' Report on the affairs of Edward Wood and Co Ltd and Skibben Winton Construction Ltd has been published.

The inspectors, Mr D. J. Clarkson, QC, and Mr K. A. McKinlay, FCA, were appointed under the provisions of section 165(a)(i), in the case of Edward Wood and Co Ltd, and section 165(b) in the case of Skibben Winton Construction Ltd, of the Companies Act 1948, on 12 May 1975, to investigate the affairs of the companies.

The report was submitted on 11 October 1976 and is available from HMSO, price £3.50.

Patents endorsed 'Licences of Right'

Under section 35 of the Patents Act 1949 the following patents were endorsed 'Licences of Right' on the dates specified.

Number	Grantee	Subject-matter
25 January 1977		
1,127,795	Agfa-Gevaert Aktiengesellschaft	Method and apparatus for regulating the exposure in photo-printing.
1,163,664	Agfa-Gevaert Aktiengesellschaft	Photographic camera for use with an artificial light source.
1,351,293	Agfa-Gevaert Aktiengesellschaft	Improvements in and relating to data output apparatus
1,360,522	Nippon Victor Kabushiki Kaisha	Circuit for demodulating a colour difference in the Pal System colour television signal
1,383,238	Nippon Victor Kabushiki Kaisha	Phonograph pickup stylus
1,391,852	Nippon Victor Kabushiki Kaisha	Vertical convergence circuit
1,173,843	Telefunken Patent-Verwertungsgesellschaft mit beschrankter Haftung	Improvements in or relating to tensioning devices for cord drive arrangements
1,354,435	The DCL Cooperage Co Ltd	Improvements relating to the making of dowelled connections
1,384,542	EMI Ltd	Improvements in or relating to glazing materials
1,405,841	Etablissements Recoules & Fils	Tool holders
1,450,504	Hitachi Ltd	Photoelectric converting member for colour pickup tubes and method of manufacturing the same.
28 January 1977		
1,397,560	The Post Office	Improvements in or relating to the measurement of curvature in ducts
1,445,886	The Post Office	Improvements in or relating to protective frames
1,447,723	The Post Office	Improvements in or relating to semiconductor devices
1,448,559	The Post Office	Improvements in or relating to ship-borne antenna arrangements
1,297,936	EMI Ltd	Improvements relating to magnetic recording media
1,364,045	EMI Ltd	Improvements relating to the duplication of magnetic recordings
972,848	George Joseph Mason	A darts game
1,036,431	Wilfred Worden	Improvements in or relating to gramophone pick-up arms
1,184,112	EMI Electrola Gesellshaft mit beschrankter Haftung	Improvements relating to apparatus for the production of gramophone records
1,288,753	John Hartley Eastwood	Improvements in or relating to binders for periodicals and the like
1,288,832	Herbert Morris Ltd	Improvements in means for automatically operating and controlling reciprocating motion
1,304,262	Societe Industrielle d'Electronique et d'Informatique	Electronic control systems for internal combustion engines
1,386,193	International Standard Electric Corporation	Ringing trip circuit
1,387,746	Licentia Patent-Verwaltungs-Gesellschaft mit beschrankter Haftung	Improvements in or relating to deflection coils and to methods of making them
2 February 1977		
1,329,999	Commissariat A L'Energie Atomique	Device for clipping electrical signals
1,330,186	Commissariat A L'Energie Atomique	Radiation detector
1,331,633	Commissariat A L'Energie Atomique	Articulated master-slave manipulator
1,332,106	Commissariat A L'Energie Atomique	Device for providing a seal between two fluids at different temperatures
1,332,616	Commissariat A L'Energie Atomique	A device for sealing a rotatable plug in a nuclear reactor
1,332,886	Commissariat A L'Energie Atomique	A nuclear fuel assembly
1,334,590	Commissariat A L'Energie Atomique	Improvements in the detection of failures in nuclear fuel element cans
1,334,833	Commissariat A L'Energie Atomqiue	A device for determining the position and the temperature of a hot region
1,336,968	Commissariat A L'Energie Atomique	Fuel assembly for nuclear reactors
1,338,339	Commissariat A L'Energie Atomique	A superconducting cable
1,339,052	Commissariat A L'Energie Atomique	Improvements relating to methods of electron beam welding
1,340,584	Commissariat A L'Energie Atomique	Apparatus for detecting and locating a failure in a can in the fuel assembly of a nuclear reactor
1,341,865	Commissariat A L'Energie Atomique	Nuclear magnetic resonance magnetometers
1,341,866	Commissariat A L'Energie Atomique	Method and device for compensating the gyromagnetic effect
1,343,877	Commissariat A L'Energie Atomique	Pencil type nuclear fuel assembly
1,345,095	Commissariat A L'Energie Atomique	Method of measurement of the mass and the concentration of particles
1,345,456	Commissariat A L'Energie Atomique	Tire incinerator
1,347,219	Commissariat A L'Energie Atomique	A sampling selector for burst can localisation
1,347,782	Commissariat A L'Energie Atomique	Integrated circuits comprising mos transistors obtained by ion implantation
1,347,927	Commissariat A L'Energie Atomique	Method of ruthenium decontamination of solutions arising from the treatment of irradiated nuclear fuels
1,312,432	Robert Bosch GmbH	An hydraulic rotary positive displacement pump
1,370,232	Robert Bosch GmbH	An installation for progressively feeding workpieces to be processed to a plurality of processing stations
1,417,957	Robert Bosch GmbH	A system for controlling and regulating a hydraulic pump or motor
1,099,983	Agfa-Aktiengesellschaft	Improvements in and relating to printing processes using magnetisable substances
1,099,984	Agfa-Aktiengesellschaft	Sheet material for use in magnetic printing processes
1,245,268	Kemisk Vaerk Koge A/S	Method of producing resin-containing pigment preparations
1,332,731	Coal Industry (Patents) Ltd	Coal plough having dust suppression means
1,423,518	EMI Ltd	Improvements relating to print heads

Any person who claims that the patentee at the time of endorsement of any of the above patents was precluded by a contract in which claimant is interested from granting licences under the patents may apply for cancellation of the endorsement on Patents Form 45 within two months after the date of endorsement.

E. Armitage
Comptroller

Nedo paper on nationalised industries

Manpower and pay trends are examined by the National Economic Development Office (Nedo) in the latest background paper* in their study of the UK nationalised industries.

The report draws on statistical information covering the 15-year period 1960-75 and includes material on the main trends in employment in the nine nationalised industries studied; collective bargaining arrangements and procedures; the number of stoppages and working days lost through industrial disputes; and the way in which earnings in nationalised industries have moved over the period.

Appendices give detailed information by nationalised industry on employment trends and collective bargaining arrangements and procedures.

** A study of nationalised industries, Background paper 4* available price £4.00; £4.50 postage paid from NEDO Books, 1 Steel House, 11 Tothill Street, London SW1 9LJ.

Government sales

Ministry of Defence

Sales by auction

8 March 1977 – Miscellaneous stores

Location
Ordnance Storage and Disposal Depot, RAOC, Ruddington, Notts

Auctioneers
Arnold and Son (Dept. L), 13 Market Place, Burton-upon-Trent, Staffs DE14 1HD (tel. 0283 64657)

Stores lying at Ruddington and other depots and comprising aircraft and aircraft engine parts and spares, ground equipment, MT and electrical spares, machine tools, fork lift trucks, bicycles, boots, household and office furniture, photographic equipment, scrap metal, watches and a large collection of other miscellaneous items.

10 March 1977 – Furniture

Location
Ordnance Support Unit RAOC, Liphook, Hants

Auctioneers
Richard Austin and Wyatt (Dept. L), 79 High Street, Fareham, Hants (tel. 03292 4211)

A sale of some 600 lots of household furniture and effects which will be sold as single items or in small quantities.

17 March 1977 – Miscellaneous stores

Location
The Golden Lion Hotel, King Street, Stirling

Auctioneers
Dixon and Wallace (Dept. L), Bank Buildings, Graham Square, Glasgow G31 1AW (tel. 041-554 2447)

The stores are lying at various depots in Scotland and include 57 vehicle s various items of plant and machine tools, fork lift trucks and generators. A large collection of service clothing and textiles, furniture and many other interesting items.

Catalogues which give details of the lots, conditions of sale, viewing times, etc, are available from the auctioneers from two weeks before and up to the day of the sale, price 20p, postage and packing 10p extra (postal orders only).

G. F. SINGLETON & CO.

Industrial Surveyors and Auctioneers

AUCTION PROGRAMME

2nd Mar. — **Belfast, Northern Ireland**
GARMENT MANUFACTURING AND PRESSING MACHINERY AND STOCK – Star Manfg.

4th Mar. — **Manchester**
APPROX. 30 MODERN SALOON CARS AND VANS – Clan Environmental, H. & M. (Homes) Ltd., Rayburn Wholesale

9th Mar. — **Wincham**
ATTRACTIVE CONTRACTORS DEPOT WITH MODERN OFFICE, WORKSHOP AND YARD – H. & M. (Homes) Ltd.

9th Mar. — **Wincham**
CRANE, DIGGER, LORRY AND WOODWORKING MACHINERY AND STOCK IN TRADE – H. & M. (Homes) Ltd.

16th Mar. — **Oswaldtwistle, Blackburn**
TEXTILE WEAVING MACHINERY – Sewe & Sewe Ltd.

30th Mar. — **Denton, Manchester**
ENGINEERING AND FABRICATING MACHINERY, AND STOCK IN TRADE – Dane Electrical

In near future

Manchester
GARMENT MANUFACTURING MACHINERY

Manchester
GARMENT MANUFACTURING MACHINERY

Catalogues (when ready) for these and other sales are available from:

G. F. SINGLETON & CO
53 KING STREET, MANCHESTER M2 4LR
Tel. 061-832 8271

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Wembley Auction Sales 1977

1 March 1977

View Days:	Day preceding and morning of sale
Location:	Department of the Environment Property Services Agency Supplies Store India Pavilion Exhibition Grounds Wembley, Middx. Tel. 01-903 2508
Description of Goods:	Office and Miscellaneous Furniture Engineering, Electrical, Canteen, Domestic and Other Equipment
Auctioneers:	Messrs. Fuller, Horsey, Sons and Cassell 52 Bow Lane London EC4M 9ET Tel. 01-248 7954
Catalogue:	Direct from the auctioneer price 10p each

Potential buyers are advised to refer to the official catalogue available direct from the auctioneers price 10p.

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Price Commission interventions during January

During January the Price Commission rejected five notifications of price increases from manufacturing and service companies all in category II. In another 15 cases covering both categories I and II the companies concerned withdrew their notification of intended increases and in 44 cases the extent of the increase was reduced by the commission. See lists below.

During January, following discussions with the Price Commission, six distributors in category II agreed to make price reductions amounting to £0.92 million in order to eliminate excess gross or net profits as revealed in their periodic returns.

Following inspection of records kept by enterprises in category III, the commission's regional offices secured the agreement of 130 distributors, nine manufacturers, three professional enterprises and five construction enterprises to make price reductions amounting to £4.06 million in order to eliminate excess gross or net profits. In addition, the regional offices secured a total of 89 individual voluntary price reductions following investigation of complaints about prices increases.

Notes

The Price Commission may intervene to reject or modify notifications submitted by category I and II enterprises at any time during or after the 28-day period which must elapse before the increase can be implemented.

Announcements about price increases where the Price Commission has not intervened are the responsibility of the company imposing the increase. The inclusion of an item in the lists of rejections or withdrawals does not preclude subsequent re-submission.

In some cases a company may submit a single price increase notification involving a range of products. If some items within the range are subject to intervention, the whole notification, for statistical purposes, is treated as a modification.

Rejections

Company	Product	% increase sought
Category II		
Airfix Plastics Ltd	Plastic housewares	17.10
	Toy products	9.55
Bevaloid Ltd	Textile sizes and defoaming agents	21.20
Burgess Industrial Silencing Ltd	Acoustical products	12.80
Declon Foam Plastics Ltd	Domestic and industrial sponges	10.07

Withdrawals

Company	Product	% increase sought
Category I		
CPC (UK Ltd	'Knorr' stock cubes	6.27
Delta Enfield Cables (Holdings) Ltd	Rubber and plastic insulated cables and flexibles	2.92
ICI Ltd	'Welvic' PVC compounds	0.90
Pye Records Ltd	Hourly rental of Studio 2 at ATV House	33.33
Royal Doulton Tableware Ltd	China, earthenware tableware and ornamental items	4.96
Category II		
Armitage Shanks Group Ltd	Ceramic products	11.00
T. W. Beach & Sons Ltd	Fruit juice	12.35
Blundell-Permoglaze Ltd	Industrial paints and thinners	12.81
Campbell's Soups Ltd	Soups and other canned products	1.92
	Soups and other canned products	0.90
Graesser Salicylates Ltd	Aspirin	15.50
	Methyl salicylate	22.20
	Glycol salicylate	2.10
	Diethylamine salicylate	2.20
	Salicylic acid	3.19
Laconite Ltd	'Laconite', 'Lacotherm', 'Grifinite' wood grain bath panels	1.90
Macfarlan Smith Ltd	Hydrogenated products	54.30
	Hydrogenated products	13.16
Southern Newspapers Ltd	Cover price of 'Evening Echo' series newspapers – Southampton, Bournemouth and Weymouth	4.88

Modifications

Company	Product	% increase sought	% increase after modification
Category I			
Alcan Aluminium UK Ltd	Aluminium semi-manufactures	3.29	3.21
Allied Mills Holdings Ltd	Biscuit, cake and soft flours	6.42	5.71
British Aluminium Co Ltd	Aluminium ingot and related products	11.33	9.46
British Industrial Plastics Ltd	'Amino' moulding powders	26.68	25.91
Bryce Berger Ltd	Whole range of diesel and mechanical engineering products	4.53	4.21
Chloride Industrial Batteries Ltd	Motive power batteries for industrial use	8.64	6.65
Ciba-Geigy (UK) Ltd	Alkylated phenol F9	25.57	25.38
Delta Metal Co Ltd	Brass rod and brass section products	17.28	14.71
Fibreglass Ltd*	Fibreglass insulation products	4.84	4.84
General Motors Ltd	Range of automotive components	7.78	7.57
ICI Ltd	Sodium carbonate	5.19	5.11
Imperial Tobacco Ltd	Cigarettes	0.66	0.63
Kosset Carpets Ltd	Carpets	8.88	8.73
Philips Electrical Ltd	Fan heaters	9.23	7.59
	'Philishave' products	25.03	21.44
Pilkington Bros Ltd	Flat glass	7.44	6.77
RTZ Extruders Ltd	Aluminium extrusions	4.80	4.74
Spillers Foods Ltd	Canned domestic foods	8.08	7.52
	Pre-packed flour	9.69	7.65
Spillers-French Milling Ltd	Biscuit flour and other soft flours	7.54	5.35
Unigate Foods Ltd	Fresh cream	3.83	3.79
Venesta International Packaging Ltd	Collapsible metal tubes, rigid metal tubes, metal components, plastic tubes and mouldings	3.34	3.02

* The period over which costs are to be recovered retrospectively (Code para 27) was reduced.

Category II

Isaac Andrews & Sons Ltd	Animal feedingstuffs	1.41	1.28
Bestobell Aviation Products Ltd	Fabric and metal for aviation industry	6.60	1.62
Chiltonian Ltd	Biscuits	9.16	9.05
Dowty Meco Ltd	Mining machinery	2.39	1.84
Entex Springs Ltd	Miscellaneous springs	15.10	14.83
Evertaut Ltd	Steel office furniture	9.80	7.00
Firsteel Metal Products Ltd	Suspended ceiling grids, aluminium extrusions and miscellaneous cold-rolled sections	12.65	12.48
Globe Pneumatic Engineering Co Ltd	Air motors	12.50	10.30
Hailwood & Ackroyd Ltd	Hand-blown illuminating glassware and lighting fittings	14.90	11.90
Hall-Thermotank International Ltd	Range of services and repair work relating to refrigerating and air-conditioning equipment	10.44	10.18
Hercules Powder Co Ltd	Hard resins	4.05	4.01
Inver House Distillers Ltd	Malt	51.78	36.13
Izal Ltd	'Rozalex' products	12.50	11.65
Arthur Lee & Sons (Cold Strip) Ltd	Stainless strip	9.22	7.80
J. Mann & Son Ltd	Industrial power packs	13.56	13.53
Parnall & Sons Ltd	Office and factory seating and furniture	12.52	8.38
George Payne & Co Ltd	Range of beverage products	11.36	11.32
Pirelli General Works Ltd	General wiring cables, appliance wires, welding cables, etc.	7.31	4.00
Pringle of Scotland Ltd	Knitwear	14.33	12.82
Revlon International Corp	Full range of cosmetics and toiletries	7.43	5.70
Sealed Motor Construction Co Ltd	Domestic and general industrial central heating water circulators	6.83	6.68
Webley & Scott Ltd	All products (guns)	11.84	10.21

Aviation security talks

Discussions on the UK government's plans for charging for security at Britain's airports were held on 18 February between Stanley Clinton Davis, Parliamentary Under-Secretary of State for Companies, Aviation and Shipping, Knut Hammarskjold, secretary general of the International Air Transport Association (Iata) and Floyd Hall, chairman of Iata, Executive Committee.

As part of its proposals to reduce public expenditure, the government has decided in principle that the cost of aviation security should be transferred from the taxpayer to the industry as from 1 April 1978.

Mr Clinton Davis said that the points raised at the meeting had been very carefully considered. He pointed out, however, that several other countries, eg, the USA, Australia and Canada already applied special charges for aviation security.

Mr Clinton Davis stressed that the government in its review of public expenditure for the coming years had come to the conclusion, which the aviation trade unions in the UK supported, that charges for aviation security were a necessity. He regretted that the government was not able to alter its decision for which legislation may be required.

Mr Clinton Davis drew attention to the powers the government had to enforce security standards in the UK under the Protection of Aircraft Act 1973 and emphasised that there would, therefore, be no lowering of such standards because of this decision.

Notes

The cost of all security measures recommended by the Department of Trade under the Protection of Aircraft Act 1973, is expected to be £12 million in the current year and is estimated at £15 million in 1978/79.

Consultations between the department and the industry, including the airlines, the airports authorities, the trade unions and the Civil Aviation Authority, are currently taking place about the methods of implementing this new policy.

Two new marine survey stations

New stations at Theddlethorn and Covenham are to be established by the British Transport Docks Board as an extension of their present radio signal position fixing system. The Docks Board has become responsible for additional hydrographic survey work in the approaches to the Humber estuary and the two new stations linked with the existing station at Killingholme will enable survey vessels to fix their positions accurately when taking soundings and plottings of the seabed. The additional area for which the Docks Board is now responsible extends to a point approximately 12 miles north east of Spurn Point and includes the area between the Spurn and Humber light vessels.

Tanker safety

Interim report of the Tanker Safety Group

Over a number of years concern has been expressed in the United Kingdom and elsewhere at the rate of growth in the size of large tankers – the present day VLCC (very large crude carrier) is considered to be a vessel of 200,000 tons deadweight (dwt) or more – and at the increasing number of such ships brought into service.

This concern has been brought sharply into focus on the occasion of any major tanker casualty, such as the *Torrey Canyon* or other subsequent incidents. The occurrence of a number of significant casualties across the world, and the anxiety which they caused, led to the decision by the Department of Trade to set up a group to take an overall look at tanker safety.

Setting up of the group

The Tanker Safety Group was formed early in 1975 by personal invitation and consisted of senior individuals drawn from the following bodies:

Department of Trade (DOT)
Oil Companies' International Marine Forum (OCIMF)
General Council of British Shipping (GCBS)
Shell International Marine Ltd (Shell)
BP Tanker Co Ltd (BP)
P & O Bulk Shipping Division (P & O)
Lloyds Register of Shipping (LR)
Ministry of Defence (MOD(N))
Merchant Navy & Airline Officers' Association (MNAOA)
National Union of Seamen (NUS)

A list of participants is at Appendix 1 to this report. The chair was taken by the Under-Secretary, Marine Division of DOT.

While it had no formal remit, the aim of the group was to review generally the whole field, and to single out appropriate items for more detailed study, taking into account such research and consideration as was already in hand elsewhere. At an early stage a sub group was set up to review tanker casualties worldwide over the last eight years, and their causes.

In its initial discussions the group considered various points of public concern which had come to its notice, one source of criticism being the book 'Supership' by Noel Mostert. These points fall broadly into groups as follows:

1 teething troubles and corner cutting
2 constructional matters (including hull strength)
3 depth of loading on the Cape route
4 machinery and electrical equipment (including manoeuvrability)
5 manning and training

On points 1 and 2 the group found that some over-extrapolation of design assumptions and principles during the early years, coupled with inadequacies in the quality of steel used, had led to expensive repairs and renewals. However, there was now a better understanding of the cause of material failures and appropriate steels were specified. Nevertheless, as hull strength is a vital factor in the

Stanley Clinton Davis, Parliamentary Under-Secretary of State for Companies, Aviation and Shipping comments:

'It is 10 years almost to the month that the *Torrey Canyon* grounded on the Seven Stones reef, and caused the worst oil pollution to our coasts we have known.

'In those 10 years, the world has learnt a great deal about how to cope with oil when it is spilled at sea.

'But, even more important, experts have sought to improve the safety of tanker design and operation, so as to reduce the risks of grounding or collision. New international rules have been drawn up, and a wide measure of agreement reached on their implementation.

'Despite this work however, casualties have continued to occur, notably explosions in the *Mactra* and two other large tankers and the loss of the *Pacific Glory*, to name but a few which occurred some years ago.

'My department decided some two years ago to set up a Tanker Safety Group which would take a general look at the subject with particular emphais on the mammoth ships.

'I have decided to publish their report now because anxiety about the safety of tankers has been renewed by some five well-publicised accidents to tankers in the last three months in, or near, US waters. Fortunately none involved a British ship, and I am glad to note that the safety record of the UK tanker fleet compares favourably with that of other flags.

'The group's work does not end with the publication of this report. Tanker design and operation continually develops, and the group will keep under review their safety elements as well as seeing what lessons may be learned in the future.'

safety of a supertanker, this aspect was selected as worthy of further study and a sub-group was established for this purpose.

It had been suggested that tankers voyaging between the Middle East and Northern Europe were allowed to load more deeply to compensate for the longer route round the Cape, following the closure of the Suez Canal. However, the revision of the load line provisions for tankers – to reduce the unnecessarily large freeboards of the larger vessels then being built – took place the previous year at the 1966 International Load Line Conference.

In making this change the conference took full account of the weather statistics for the 'Cape Corridor'. In the main, vessels sustaining heavy weather damage in the Cape area have been fast cargo liners with different fineness characteristics from VLCC's.

On the subject of manoeuvrability the group found that expert world opinion is divided on the comparative merits of single or twin screw and rudder installations. However the VLCC is responsive to helm over a wide range of speeds, although because of its inertia more sea room is of course required than for smaller ships. The 1972 International Collision Regulations, which will enter into force in July 1977, will give a VLCC precedence over other vessels on the display of a special signal.

The contingency of a 'black out' of vital electrical and electronic equipment through failure of the main propulsion machinery is covered by the latest international regulations which require the provision of an emergency source of power, sufficient to supply all essential items.

The group had some discussion of manoeuvrability in the context of a possible need for some measure of traffic control. It had regard to the work of the Anglo-French Safety of Navigation Group, whose remit had recently been widened to study all possible risks in the English Channel. It was noted that the international shipping industry had played and was continuing to play a leading part in the talks between the States bordering the Malacca Straits concerning improvements in the safe navigation of the area, an important item of which would be an approved traffic separation scheme. It was also noted that industry had been operating a voluntary routeing scheme in this area for some years. Reference was made to routeing and traffic rules in general, and also to speed reduction, better use of communications equipment, and keeping a good navigational watch. In view of work already being done on these aspects by other bodies, including Imco, the group decided not to pursue them in greater depth.

Similarly, recognising the valuable work already achieved in Imco on the subject of inert gas systems as a means of preventing fire and explosion aboard tankers, it was decided not to duplicate the further development of this important subject in that organisation.

While a certain amount of guidance existed on manning and training matters, the subject was considered worthy of further consideration and a specialist sub-group was set up.

Thus, as a result of its general review, the group established three specialist working groups to examine:

1 tanker casualties and their causes
2 hull strength
3 training and operational control.

The results of their work are set out below.

Review of tanker casualties

A sub-group was convened for this purpose by GCBS, with participation by DOT, Department of Industry, LR, Shell and the International Tanker Owners' Pollution Federation Ltd in order to review serious casualties to tankers of 10,000 dwt and above which had occurred throughout the world during the years 1968-75.

The sub-group was hampered by a lack of existing comprehensive data. It therefore commenced its work by inaugurating a data bank of serious casualties to tankers in the above size range – that is, those involving loss of life, structural damage or pollution – which would not only serve the needs of the review but also by periodic up-dating would be a continuing source of information. The International Chamber of Shipping initiated a tanker casualty record system in 1975 and the international tanker industry conference held in Bergen in October 1975 emphasised the need for effective data collection and analysis.

The sub-group noted a dearth of casualty reports by governments to Imco under the Safety and Load Line Conventions. The UK accordingly submitted a paper to the 33rd Session of the Maritime Safety Committee of Imco. This was well received and resulted in Imco urging governments to be more forthcoming in respect of serious casualties, subject of course to restraint on any matters sub judice (Resolution A. 322).

The sub-group's statistics were perforce compiled primarily from information published in *Lloyds List*, and their greatest use had been in showing whether trends existed rather than in pointing to specific causes and precise numbers of ships. The principal conclusions drawn were:

1 that although the greatest annual number of casualties occurred in 1975, when compared with the number of tankers at risk the casualty rate was higher in 1968 and 1969. No trend is readily apparent from the annual rates. (See Appendix 2.)
2 that over the eight year period there is no evidence to suggest that the casualty rate increases with size of ship. (See Appendix 3.)
3 that the overall incidence of cargo fires and explosions for ships of 150,000 dwt and above is no worse than that for smaller vessels. Moreover in spite of the steady increase in the number of vessels of 150,000 dwt and above, there were no serious cargo fires in this class in 1974 and 1975. (See Appendix 4.)

It was agreed that the sub-group's statistical tables should be kept up to date on an annual basis and should be submitted to Imco.

Hull strength

A Hull Strength sub-group was convened by LR, with participation by DOT, Shell, BP and professors of University College, London and the University of Newcastle, to consider what contribution a lack of structural strength might have made to the tanker casualty record.

On the data initially circulated to the sub-group the incidence of structural failures in tankers over 100,000 dwt appeared to be about 0.14 per cent, compared with 0.16 per cent for smaller ships. The difference was not considered significant. Note was taken of the phenomenon of resonance (low frequency vibration) which arose from the inter-relationship between ship length and storm wave periodicity. It had particularly come to notice in connection with vessels plying on the Great Lakes of North America.

This sub-group examined a number of specific instances of suspected structural failure which had been identified in the review of casualties. It was found that in general they related to relatively small tankers built in the late 1940's or 1950's when there was insufficient knowledge of the quality and properties of the steel in use, and when there was a movement from riveting towards welding, with a consequent loss of flexibility in the hull girder. A higher quality and more ductile steel had been developed by the 1960's which was generally considered capable of withstanding the stresses imposed at the lower extreme of temperature encountered. Almost all the early vessels which were susceptible to brittle fracture had now ceased to operate.

DOT had investigated the implications for safety of those provisions of the International Convention on Load Lines 1966 which concerned tanker freeboards and seasonal zone boundaries; it had also studied the effect on freeboard of the requirements of the International Convention for the Prevention of Pollution from Ships 1973 as to segregated ballast. It had further compared the damage stability requirements of the two conventions. These matters were all considered by the main group, which concluded that there was no need on safety grounds to seek to vary the freeboard requirements of the 1966 Convention, but that the department should consider how best to harmonise the respective requirements of the two conventions as to damage stability.

LR undertook to continue to review future reports touching on the general subject of hull strength, to consider whether further research and development work was required and to report to the group from time to time.

Training and operational control

A Training and Operational control sub-group was convened by DOT, with participation by GCBS, OCIMF, MNAOA and NUS. Its aims were:

1 to identify the differences in operating procedures in tankers as compared with other ships, eg as regards (i) cargo handling and (ii) manoeuvrability;
2 to examine against this background whether there were any gaps in established training programmes, especially Merchant Navy Training Board programmes for personnel in vessels carrying hazardous cargoes.

The sub-group agreed as follows:

1 The content and scope of the MNTB training programmes as to cargo handling and crew safety were generally adequate.

2 They were not however undertaken by all who might benefit from them, eg certain categories who proceeded direct to sea without passing through the recognised training establishments, and deck ratings already in service.
3 The DOT would issue a notice to the industry ('M' notice) about Training of Crews of Oil Tankers and Similar Vessels, such as Chemical and LPG/LNG Carriers engaged in carrying potentially Hazardous Cargoes in Bulk. This notice (now issued as 'M' notice no. 771) would recommend inter alia that personnel who do not pass through recognised training establishments should be instructed, either immediately before or as soon as they joined a tanker, in the special safety considerations applying.
4 DOT should recommend (again by this 'M' notice) that before serving as master of a very large ship, an officer should have understudied such techniques under experienced personnel, or should have undergone a familiarisation course on an appropriate ship handling simulator; further that a ship's handling characteristics should be specifically drawn by the master to the attention of his officers of the watch.
5 A shortage of seafaring personnel should not be regarded as an excuse for men being sent to ships without having undergone the appropriate training in safety matters.

Industry recognised the importance of introducing as soon as possible all the required familiarisation and specialist courses relating to hazardous cargoes, and they have since been progressively phased in by the MNTB. It was noted by the group that the Imco Sub-Committee on Standards of Training and Watchkeeping was drawing up a requirement for the training of personnel for gas carriers.

The main group gave some thought to the human fallibility of masters and the extent to which they might desirably be required to consult their senior officers in reaching important navigational decisions. It was understood that several major companies have laid down bridge operating procedures covering particularly important situations, eg entering and navigating in confined waters. In general it was open to, and incumbent on, any senior officer to question such a decision if it appeared to conflict with the requirements of safety, although in the event of disagreement, the master had the final word.

Considerable efforts are being made to provide navigational training for seagoing staff, to reduce the incidence of human fallibility which seems to have been the cause of a large number of recent accidents. The group considered that as soon as the best way of providing appropriate training had been determined, efforts should be made to ensure that this training was available to all navigational staff.

Imco has promulgated advice on the principles to be observed in keeping a safe navigational watch, together with guidance for officers of the watch. This advice has been conveyed to the UK shipping industry in general by means of 'M' notice no. 685.

The DOT has carefully considered the points made in discussion within the group. It is of the opinion that having regard to the Imco guidance, and subject to such company requirements as are referred to above (which it has noted with interest), the degree of consultation must be left to the discretion of the master concerned who is ultimately responsible for the safety of the ship and her crew.

Inspection of hazardous compartments

In 1975, three of the ship's complement of a British tanker lost their lives during an in-tank inspection. Following this, GCBS devised and issued its Marine Safety Card no. 1, which was endorsed by its UK Tanker Safety Committee. This lists a number of general precautions to be taken by personnel about to enter cargo tanks and places of similar hazard, and provides a check list of preparatory actions to be taken respectively by the responsible officer and the person concerned.

Conclusion

The group has completed the first phase of its work. In an atmosphere of co-operation and frankness from all participants, it has taken an overall look at tanker safety worldwide, and has conducted a comprehensive review of casualties and their causes in recent years with special emphasis on the larger ships. In addition it has carried out more thorough investigation into certain important and potential problem areas.

The hazards of seafaring are such that accidents to ships and men cannot be totally eliminated. In particular the human factor is an aspect which cannot be completely regulated. While the group has no further specific study in progress or in prospect at the moment, it is by no means complacent about the situation. It will continue in being and will keep a watch on future developments in the fields of design, construction, equipment and navigation of tankers from the safety point of view. It will also study future incidents involving tankers to determine what lessons may be learned from them.

The data bank inaugurated for the purposes of the casualty review will be updated annually and become a valuable source of information as to the causes of incidents.

Appendix 1 Tanker Safety Group list of participants

Mr J. N. Archer (chairman)	Marine Division, Department of Trade
Mr G. Victory (1)	Marine Division, Department of Trade
Mr C. Walder	Oil Companies' International Marine Forum
R/Adml P. W. W. Graham	General Council of British Shipping
Capt A. F. Dickson	Shell International Marine Ltd
Mr G. A. B. King	BP Tanker Co Ltd
Capt G. A. Marchant	P and O Bulk Shipping Division
Mr J. McCallum	Lloyd's Register of Shipping
Mr E. Nevin	Merchant Navy and Airline Officers' Association
Mr R. Spruhan	National Union of Seamen
Mr A. R. M. Jaffray (2)	Ministry of Defence (Navy)
Mr J. Clayton (secretary)	Marine Division, Department of Trade

(1) Succeeded by Dr J. Cowley.
(2) Succeeded in turn by Mr R. M. Hastie Smith and Mr D. C. Humphreys.

Appendix 2 Serious casualties to tankers of 10,000 dwt and above – 1968/75

Year	Total no. of series casualties	Tankers at risk	Casualty rate per 100 tankers at risk
1968	79	2,943	2.68
1969	76	2,991	2.54
1970	60	3,049	1.97
1971	64	3,154	2.03
1972	74	3,217	2.30
1973	65	3,281	1.98
1974	69	3,443	2.00
1975	88	3,553	2.48
1968–75	575	25,631	2.24

Note:
The casualty figures included in Appendices 2, 3 and 4 relate only to oil and chemical carriers.

Appendix 3 Analysis of serious casualties by size of ship

	10,000-24,999 dwt		25,000-44,999 dwt		45,000-149,999 dwt		150,000 dwt and above	
Year	Serious casualties	Rate per 100	Serious casualties	Rate per 100	Serious casualties	Rate per 100	Serious casualties	Rate per 100
1968	47	3.38	17	2.26	15	1.91	0	—
1969	40	3.01	15	1.94	17	2.04	4	7.20
1970	33	2.60	8	1.02	16	1.83	3	2.48
1971	20	1.61	21	2.57	15	1.67	8	4.04
1972	32	2.63	18	2.21	17	1.85	7	2.62
1973	24	2.08	19	2.25	20	2.14	2	0.57
1974	23	2.04	19	2.17	22	2.24	5	1.10
1975	27	2.59	23	2.64	28	2.65	10	1.72
1968–75	246	2.36	140	2.14	150	2.06	39	1.91

Appendix 4 Analysis of cargo fires and explosions by size of ship

	10,000-149,999 dwt			15,000 dwt and above		
Year	Cargo fire/explosion	Tankers at risk	Rate per 100	Cargo fire/explosion	Tankers at risk	Rate per 100
1968	13	2,927	0.44	0	16	—
1969	9	2,934	0.31	3	57	5.26
1970	9	2,928	0.31	0	121	—
1971	7	2,956	0.24	1	198	0.51
1972	19	2,950	0.64	2	267	0.75
1973	9	2,930	0.31	2	351	0.57
1974	10	2,988	0.33	0	455	—
1975	5	2,971	0.17	0	582	—
1968–75	81	23,584	0.34	8	2,047	0.39

New products

Freepost reader service

For further information on items in this section, circle the corresponding number on the reader services page near the end of the magazine.

Signposted into production by Small Firms Information service

A drinks dispenser goes into production next month with the help of the Department of Industry's Small Firms Information service.

Over 15 months its development has been 'signposted' by the Luton branch of the service.

The dispenser made its public 'debut' at the South Bucks Business Equipment (Supplies and Services) exhibition at the Town Hall, High Wycombe.

Les Fitton, manager of the Luton SFIC, and his staff have provided the designer, Tom Barton, of Beaconsfield, with leads to sources of equipment and discussed with him problems of production. They have followed through with help for the sheet metal company, Morgan Wright, also of High Wycombe, who will be making the cabinet for the equipment.

'Their help has been invaluable', says Mr Barton, 'in terms of time saved and advice. We are fully prepared now to be in production by the end of March.'

Mr Barton, managing director of Barton Industrial Vending, designed the dispenser against a background of 10 years as a distributor of industrial vending equipment.

'I decided to go it alone. I had no experience of manufacture. I saw some advertising about the Small Firms Information Centres and got in touch with Mr Fitton. He has been first class.'

For the Small Firms Information service the case, according to Les Fitton, is 'typical of the help we want to give. Mr Barton was going into manufacture from scratch. Like a lot of people who come to us, we talked the project over and perhaps helped clarify his thoughts. When it came to wanting equipment we helped find the suppliers.'

Barton Industrial Vending describes the 'Barvend' dispenser as 'the most sophisticated yet'.

It offers five main ingredients, features electronic circuitry in place of conventional motors, cams and relays, ease of maintenance, security and adjustment, and can be operated as a free or pay machine.

Prices, from 1p to 8p, and the amount of ingredient, can be adjusted by the client. The machine is fitted with a meter to count the amount of money inserted. The coin collecting box is locked into the cabinet. Drinks are mixed to the user's taste. There is a water capacity for about 130 drinks without plumbing. A filter device is said to clear the water of objectionable tastes or odours. Operation is by a 12 volt circuit and weekly cleaning on site is said to take about four minutes.

Eight machines using the electronic circuitry have been field tested for almost a year. The original prototype has been in daily use for 18 months, says the firm, 'without breakdown'.

Tom Barton (right), of Beaconsfield, with his 'Barvend' drinks dispenser and Les Fitton.

Further information: circle 86

Computer printer terminal

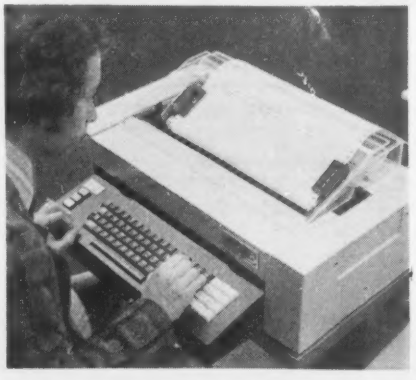
A computer printing terminal which, the manufacturers claim, can be operated 24 hours a day, seven days a week and yet, apart from periodic cleaning, requires no preventive maintenance, has been introduced by Pericom Data Systems Ltd, Milton Keynes.

The Hycom-B can be linked to any type of computer, and can be programmed to print information in any format automatically, including memos, letters, reports, contracts, invoices, statements and quotations. It can also be used in any type of data communications system, and has been approved by the Post Office for use on PO telephone lines via the PO Datel 600.

Printing versatility is provided by a built-in microprocessor (miniature computer) and an electronic memory which together enable the unit to print at rates up to 180 characters a second in either direction, virtually without interruption. Throughput at this speed can be up to 40 per cent more than conventional uni-directional printers.

The Hycom-B costs £2,550, excluding VAT.

Pericom Hycom-B computer printing terminal



Further information: circle 87

Air cylinder range has seven sizes

The established range of international air cylinders made by CompAir Maxam Ltd, Cornwall, has been expanded by the introduction of a 25mm standard screwed nose cylinder. The full range now covers seven bore sizes.

Front or rear flange, foot, rear clevis or rear hinge mountings are available for all sizes. The 32, 40, 50 and 63mm bore sizes can also be supplied with screwed nose mountings.

Non lubricated versions are available supplied with special coated cylinder bores and stainless steel piston rods.

With a maximum working pressure of 10 bar, both standard and non lubricated versions operate over a temperature range from −20 up to 70°C (−4 to 158°F).

Further information: circle 88

Technology news

Government to spend £6 million on solar energy research

The Department of Energy is to spend £3.6 million in a four-year programme of research, development and demonstration of solar energy in the United Kingdom which, with other money being made available, will bring total government expenditure on the subject to about £6 million over that period. The £3.6 million will include 50 per cent funding of individual firms, to accelerate the development of applications of solar power in the UK.

The purpose of this programme is to reduce uncertainties so that the potential role of solar energy can be identified more closely; and to stimulate the development of cost-effective solar technologies.

According to a report* published last week by the Department of Energy, within 25 years the sun could be contributing about 2 per cent of the United Kingdom's energy needs, and in the longer term might provide 10 times as much. Even at only 2 per cent this would be equivalent to saving about 7 million tons of coal a year.

The research programme will concentrate on: solar water and space heating, insolation data and research into biological systems.

At first sight, water and space heating appear to be the most promising areas. Some industrial research in this area is already being carried out and a major part of the Department of Energy's programme will be in the form of contracts to support existing industrial initiatives. The Building Research Establishment will also undertake a large share of the work, and supporting and fundamental studies will be carried out by some academic institutions.

The report, from the Department of Energy's Energy Technology Support Unit recommends setting up a small study group to determine the most relevant forms of data analysis and presentation for use by solar design engineers and research workers; funds, it says, should be made available so that the analysed data can be prepared and published within a year.

It also recommends setting up a small number of recording stations in urban areas to measure the differences between the amount of sunlight falling on sites where a high proportion of the population lives (and therefore where there is most demand for heat) and on rural areas where most of the present recording stations are situated.

The report says:

'The UK is relatively well served in the number of solar recording stations and the length of time over which records have been kept.

'In order, however, to make the most effective use of solar energy (and in doing so achieve the maximum cost-effectiveness) more detailed analysis of the existing data and some extension of the network of observing stations is required.'

Commenting on unfavourable assessments in the past of solar energy prospects in the UK, the report says that there has been no major technical breakthrough, though the successful use of photovoltaic converters in space programmes and advances in plant genetics and in fermentation processes have broadened the range of options available for exploitation.

'A more significant change,' it says, 'has been the increasing cost of fossil fuels which has improved the competitiveness of possible alternatives. Probably more important still, the events of recent years have provided a timely reminder that fossil fuel reserves, though large, are finite and are only to be obtained with increasing difficulty.'

The report also recommends that planning authorities should ensure that new housing makes maximum use of solar input by sensible layout and orientation to make it easier to install solar water heaters at a later date.

The report says that solar heat collectors are already commercially available in the UK and are technically capable of making a useful contribution towards the provision of domestic hot water or at least part of the annual heating requirements of buildings.

It is thought that widespread use of solar water heaters could result in a significant energy saving (up to 2½ per cent of our present primary energy requirements); the rate at which this would increase depends upon the market penetration rate, which is likely to be relatively slow until solar water heaters are cost effective. At current prices they are cost effective only in a limited number of situations and more attractive options, such as thermal insulation, are normally available to a householder for a fuel saving investment.

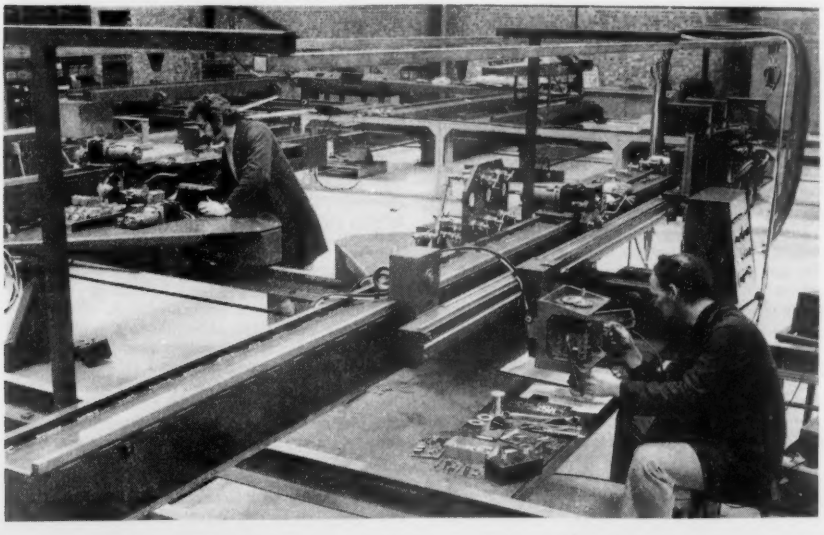
The report expects, however, that as time proceeds, several factors will continue to increase the attractiveness of solar water heaters.

At present, it would cost between £500-£600 to instal a solar system for water heating in a typical semi-detached house, and there are still problems to be overcome, such as when rusting of the panels leads to leaking roofs.

* 'Solar energy: its potential contribution within the United Kingdom', Energy Paper No. 16, available from HMSO and government bookshops, price £3.

Flame cutting machine

Final assembly of a Hancomark flame cutting machine, being built by BOC's engineering division at their new factory near Andover. Burners direct a mixture of oxygen and a heating gas on to the steel and then a fine jet of oxygen burns the iron out of the steel. A photoelectric scanner makes it possible to cut out complicated designs, and plasma cutting equipment can be used as an alternative. This particular machine is for export to Poland. Further information: circle 89



Regional Development Programme for the United Kingdom

This is the concluding part of this document, parts 1 and 2 of which appeared in *Trade and Industry* of 11 and 18 February. It was explained then that this was the UK's preliminary version of the regional development programme which all member states of the community are bound to produce by the end of 1977 and which are intended to serve as a background for applications to the European Regional Development Fund. All member states have agreed to produce a preliminary version for the period 1977-79. This is an abridged version of the document; the only ommissions are annexes 1, 2 and 4 which reproduce information published in the Department of Industry's 'Incentives for Industry' booklet and statistical information.

The situation in the individual Assisted Areas (continued)

(g) SCOTLAND

Description

7.100 Scotland covers an area of 7,877,000 hectares, has a population of 5.2 million, a workforce of 2.2 million and accounts for 8.7 per cent of the United Kingdom's Gross Domestic Product. Unemployment in June 1976 was 0.14 million, 6.7 per cent of employees.

7.101 The whole of the country is designated a Development Area, within which 5 areas are Special Development Areas. Large parts of the country are less favoured agricultural areas.

7.102 Since the 1930s important parts of Scotland have qualified for Assisted Area status in recognition of their severe economic problems, associated with more rapid employment losses, higher unemployment and emigration, and lower GDP per head than in the United Kingdom.

7.103 The country is divided into 9 administrative Regions and 3 Island Areas, and each displays distinctive features with associated regional development requirements. Most of the population lives in the heavily industrialised regions of central Scotland where economic problems reflect the decline of nineteenth-century manufacturing industries and the need for adaption and redevelopment of the urban infrastructure established at this time. Other regions are largely rural in character, heavily dependent on agriculture, fishing, or single industries such as wool textiles. Much of this area consists of mountainous terrain or islands and this results in communication difficulties and relatively high transport costs. Population movements, the growth of new industries in the post-war period and more recently North Sea oil have led to significant shifts in the balance between different regions.

Problems

7.104 *Scotland as a whole.* During the last 20 years it is estimated that about 200,000 jobs have been lost in Scotland in the key industries of coal, shipbuilding, steel, railway vehicle manufacture, textiles and agriculture alone. Over the period 1965-75, despite strengthened regional policy measures in the 1960s and the impact of North Sea oil in the 1970s, total employment declined by about 40,000 (1.9 per cent) a fall of over 144,000 in the primary, manufacturing and construction sectors being only partly offset by an increase in services. The fall in male employment (−133,000) was exceptionally severe, while female employment increased by 94,000.

7.105 Some improvements have however taken place: about 47,000 manufacturing jobs were created in Scotland between 1964 and 1973 by establishments moving to Scotland, for example, in the motor vehicle and electrical engineering sectors; while during the early 1970s the development of North Sea oil benefited several industries, for example mechanical engineering. These changes resulted in an improvement in the Scotland : United Kingdom relative unemployment rates and a fall in Scotland's net migration loss, but this improvement may not be sustained for the rest of this decade.

7.106 *Regions of Central Scotland and Grampian.* This area encompasses the regions of Strathclyde, Lothian, Tayside, Grampian, Fife and Central. *Strathclyde*, with about half of Scotland's population, is by far the most populous region and also presents the most formidable problem of regional development in Scotland. The principal industries with declining employment, notably shipbuilding, steel, textiles, coalmining and heavy engineering are heavily represented in this area. Over the period 1965-75 employment fell by about 65,000 (−6 per cent) much more rapidly than in Scotland as a whole; unemployment has been consistently about one-fifth higher than the Scottish average, and net emigration has been proportionately higher than in any other region of the United Kingdom, averaging a net loss of about 20,000 people pa (nearly 1 per cent of the total population annually) in recent years. The problems of industrial decline are paralleled by poor housing, environmental and social conditions which have persisted despite a massive housebuilding and urban development programme: data from the 1971 Census shows that Clydeside contained a very large share of the worst areas of concentrated social deprivation in the United Kingdom. Strathclyde Regional Council's first Regional Report (May 1976) contains a central estimate of employment suggesting a net fall of about 48,000 for the period 1974-81 on current policies, so that unemployment is expected to remain above average and high net emigration to continue.

7.107 Employment also fell in *Lothian* region between 1965 and 1975 (−11,000) but with the prospect of further office and service sector growth based on Edinburgh and a much less rapid decline than in the past in industries such as coalmining and paper, future trends to the end of the decade are likely to be more favourable. In *Tayside*, where employment decreased by about 6,000 between 1965 and 1975, the prospect for a major change in trends is less good. Many of the region's problems centre on the city of Dundee where there has been a massive rundown of employment in the jute industry (a loss of about 13,000 jobs in the last 20 years); some further decline is probable although at a less rapid rate than in the past.

7.108 *Grampian* region, which encompasses the city of Aberdeen and a large rural hinterland, has become the main centre of North Sea oil-related employment in Scotland, and this rapid growth has transformed what in the 1960s was a region of declining employment and net migration loss into an area of rapid expansion of jobs and population, with low unemployment rates. In their first Regional Report Grampian Regional Council project an increase in employment of about 22,000 between 1973 and 1981, and an increase in regional population from 444,000 in 1973 to 466,000 in 1981. Although Scottish oil-related employment is likely to decline, Grampian's interest in servicing the production phases offers favourable prospects, for Aberdeen in particular. The rapid growth experienced since 1970 has put severe pressure on local infrastructure, particularly housing, schools and roads, and local industry has experienced higher costs through greater competition for labour. The greater part of the forecast employment growth is likely to take place in and around Aberdeen and many of the more rural parts of the region are in need of a continuing programme of small scale industrial investment to counter depopulation.

7.109 The remaining regions of central Scotland, Fife and Central, both contain a mixture of industrialised towns and more rural areas. *Fife* experienced employment growth over the period 1965-75, particularly as a result of its success in attracting mobile plants in the electronics industry in compensation for a decline in coalmining and other sectors. The future outlook is however less favourable because of the lack of new industrial developments and Fife Regional Council in their first regional report suggest that population projections to 1981 involving a continuation of the net in-migration recorded in the early 1970s are unlikely to be realistic. *Central* region also faces a continuing task of industrial restructuring in response to declines in coalmining, textiles and metal manufacture.

7.110 *Other Regions.* The remaining regions or Island areas, Borders, Dumfries and Galloway, Highland, Western Isles, Orkney and Shetland are all predominantly rural in character and share to differing degrees problems of relative isolation and fragile economies. *Borders*, despite successful efforts to encourage small-scale manufacturing industry in the early 1970s, remains heavily dependent on a limited number of industries, particularly agriculture and wool textiles, in both of which some further decline in employment can be expected although at a less rapid rate than in the past. *Dumfries and Galloway* also has a relatively high proportion of its employment in agriculture (13.5 per cent) compared with other parts of Scotland and, particularly in the more isolated western part of the region, there are pockets of very high unemployment.

7.111 The *Highland* region covers a large area of northern Scotland, a large proportion of which is mountainous and remote from the main centres of population. Land and sea communication links present special problems and much of the area is unsuited to large scale manufacturing industry. Traditional industries such as agriculture and fishing have been declining in employment and the Highlands have a long history of rural depopulation and net emigration. A number of large new plants (notably the pulp mill at Fort William and the aluminium smelter at Invergordon) have been introduced in recent years, while the scenic attractions of the region provide the base for a growing tourist industry. The most significant recent impact on employment and population trends has however come from oil-related industry, particularly the siting of a few very large plants (mostly platform yards) mainly on the Moray and Cromarty Firths near Inverness but also, in one instance, on the west coast

at Loch Kishorn. These developments have placed considerable pressures on the local infrastructure as population has grown rapidly. The major oil developments are dependent on individual contracts and so future employment levels are subject to fluctuation and uncertainty. Highland Regional Council anticipate a levelling off in the rate of employment growth to 1981 compared with that experienced in the early 1970s. At the same time the traditional problems of many of the other parts of the region remain, and have to some extent been increased by the arrival of oil.

7.112 The Island authorities, Western Isles, Orkney and Shetland, all have very small populations (about 30,000, 17,000 and 18,000 respectively). The *Western Isles* have for a long period experienced extremely high male unemployment (20.5 per cent in June 1976) and a narrow employment base in which agriculture, fishing and textiles (Harris Tweed) are predominant. The last industry in particular has faced severe problems of falling demand and consequent loss of employment in recent years. *Orkney's* economy has until recently been mainly dependent on relatively prosperous agriculture and food processing industries, but it has benefited from the discovery of North Sea oil through the building of an oil storage and tanker terminal at Flotta and some servicing activity. The recent upward trend in population is therefore likely to continue over the next few years, although many of the outer islands in the Orkney group are not affected by oil and face the prospect of a further decline in population. In *Shetland*, the most remote part of the United Kingdom, which has been traditionally dependent on fishing, fish processing and knitwear, the impact of oil (through service bases and a major oil terminal at Sullom Voe) has helped to offset the decline in employment experienced in the traditional sectors in the 1970s. The number of permanent jobs likely from oil is much less than during the present construction phase and it remains to be seen how far the islands' traditional industries can support the new level of population in the longer term.

Prospects

7.113 Since there is still a greater proportion of employment in sectors such as shipbuilding and steel in Scotland than in the United Kingdom as a whole the process of structural change is not yet at an end. The present considerable world overcapacity in shipbuilding is likely to result in declining employment in shipbuilding, marine engineering and related industries. The Scottish steel industry is in the process of a major modernisation programme, involving the phasing out of the older labour-intensive open hearth furnaces and the expansion of output from new facilities at Ravenscraig (Motherwell), Hunterston and elsewhere; employment will however continue to decline as the older methods of production are replaced. A further decline in employment must also be expected in the agriculture, coalmining and textile sectors as a result of rationalisation, increased productivity, falling demand and, in the case of coal, geological circumstances. Reflecting low growth and capital investment in the United Kingdom, both the numbers and associated employment of interregional moves have already declined in recent years. In addition, the period of very rapid growth in North Sea oil-related employment (from a negligible number in 1970 to a total estimated figure of direct and indirect jobs of over 50,000 in 1976) is now at an end. The most likely prospect is for a levelling off at or a little above the current figures, followed by some decline in employment which could start before the end of the decade.

7.114 The implications of these considerations for individual Scottish regions have been indicated in paragraphs 7.106-112.

Development objectives

7.115 As has already been described in Section 3 the general objective of policy is to bring the supply and demand for labour into closer balance, in particular through the creation of new jobs and the safeguarding of existing employment. The application of regional policy measures and the impact of North Sea oil have been instrumental in achieving a considerable degree of success in meeting this objective in Scotland – since the mid-1960s Scotland's unemployment rate has changed from a level over twice as high as the United Kingdom rate to a fifth higher, and the net annual loss through emigration has declined from over 40,000 in the mid-60s to under half this level in the period 1972-75. However, it is clear that in a situation of further decline in some traditional industries, a levelling off in the rate of growth of oil-related employment, and a less favourable outlook for mobile industry, it will be difficult to hold this improvement throughout the rest of the decade.

7.116 In terms of geographical priorities, the most pressing problem is that of Strathclyde (particularly Glasgow and Clydeside). Despite the scale of the run-down in the past, the region has the potential to support a fully competitive industrial base if the necessary industrial restructuring and modernised infrastructure can be achieved. Other older areas requiring urgent industrial regeneration are Tayside (particularly Dundee) and to a lesser extent parts of Fife and Central regions. A narrow economic base and rural depopulation are problems in most of the more isolated parts of the rural regions, requiring programmes of smaller scale industrial development, assistance to agriculture, fishing and tourism, and the modernisation of infrastructure, particularly in the key settlements. Grampian, Shetland and parts of Highland region face the largest requirements for additional infrastructure to accommodate oil-related growth.

Development measures

7.117 In addition to the main measures for regional development in the United Kingdom which have been described in Section 4 there are two special agencies of regional development in Scotland:

(a) *The Scottish Development Agency* was established in December 1975. Its principal objectives are to further the development of the economy, to create and safeguard employment, and to improve the environment. To these ends it has power to invest in industry and to create new companies, to provide finance and advice to industry, to build and manage industrial estates, and lease factories to industrialists (with rent free periods in appropriate cases) and to rehabilitate derelict land and generally improve the environment. In carrying out these functions it has a considerable degree of operational freedom within general guidelines made by the Secretary of State. Its Industrial Investment Guidelines, in particular, require the Agency to secure an appropriate rate of return on its investment activities. The Agency operates throughout Scotland. Among its first major projects are an advance factory programme costing some £3.5m and the recovery and development of the site at Cambuslang, Glasgow at present used as a steelworks. The Agency will play a major co-ordinating role in the rehabilitation of a large area in the East End of Glasgow which suffers severe problems of urban deprivation.

(b) *The Highlands and Islands Development Board*, established in 1965, is empowered to give selective financial assistance by way of grant, loan or equity participation, or by a combination of such assistance, to any person carrying on or proposing to carry on any activity which will contribute to the economic or social development of the Board's area. This assistance covers industrial and commercial projects over a wide range of productive and service industries including tourism, fisheries, agriculture and horticulture. In addition to normal assistance which is comparable to that available under the Industry Act 1972 the HIDB can give a special supplementary grant in special circumstances.

7.118 The New Towns are another and longer established instrument of development. Scotland has 5 New Towns set up in the post war period (East Kilbride, Cumbernauld, and Irvine in Strathclyde, Glenrothes in Fife, and Livingston in Lothian) involving Government expenditure of over £250m to date. They have played a major part in assisting the dispersal of population from the congested parts of Glasgow (over 50,000 new houses in high quality environments have been provided), but increasingly their main role is to encourage economic and employment growth by attracting new industry. Total manufacturing employment in the New Towns in 1975 was about 42,000.

7.119 A special effort is being made by Government to create office employment, particularly in Strathclyde, to provide a better balance of job opportunities. In addition to the incentives available to private offices and services the Government has announced that some civil service jobs are to be transferred to Clydeside by the early 1980s from Departments presently in the London area, while the headquarters of the British National Oil Corporation and the Scottish Development Agency have been located in Glasgow.

7.120 An important share of the development undertaken in Scotland by established industry is carried out by companies which have moved into Scotland during the post-war period. Companies from overseas included General Motors who are expanding their factory at Newhouse and expect to employ about 500 additional workers and Air Products Limited who are planning to set up an operation at Cumbernauld to provide about 80 jobs. Cape Board Panels Limited, who moved into Scotland from England, have embarked on a £2m expansion scheme at Springburn, Glasgow, aimed at providing about 130 jobs. There are also some important developments being undertaken by long established companies, the Distillers Company, for example, are building a £25m blending and bottling complex in Glasgow to provide 600 jobs by 1980 and in Markinch, Tullis Russell Limited expect their new £40m paper mill project to provide about 120 jobs.

7.121 As is to be expected, moves into Scotland have been very limited during the current recession but some new developments are taking place. Digital Equipment Limited, for example, opened a £3m plant at Ayr to provide 500 jobs by 1980. Tandberg Limited have a £1m plan to treble the size of the factory at which they have just started production at Haddington and this will provide an extra 130 jobs, while at Coatbridge the Tannoy Group have set up a plant which should provide employment for about 200.

7.122 Substantial public investment in infrastructure in support of regional policy has been undertaken over the last decade and is continuing. At existing *ports* the continuing work of modernisation, extension or replacement of inadequate facilities is essential to meet changes in the pattern of trade and industry and in intensity of use. The construction of a new iron ore importing jetty at Hunterston on the Clyde is under way and is being supported by the European Regional Development Fund. In response to demands for the servicing of offshore oil over 70 supply berths are available on the east coast from Leith in Edinburgh to Lerwick in Shetland and 3 major tanker terminals have been completed or are under construction. Investment in *railways* over the next few years is planned to make further improvements in the Glasgow area (the 'Clyde rail' scheme) and to improve the Perth-Inverness line in connection with the growth in oil-related traffic. Scotland has a network of modern *motorways* linking the main centres of population in the central belt and schemes are currently under way to extend this system and also accommodate the requirements of oil-related growth, notably by the reconstruction of the A9 trunk road to Inverness. Major investment has recently taken place or is presently under way to develop Scotland's principal *airports*, including especially Glasgow, Edinburgh, Aberdeen, Inverness and Sumburgh (Shetland).

7.123 A number of other types of infrastructure are important components of regional development. The *Scottish Special Housing Association* is a Government agency which supplements the efforts of local authorities in providing new houses for incoming workers in connection with new industrial development and also contributes to urban redevelopment and modernisation schemes such as that planned for the East End of Glasgow. Local authorities also have their own *industrial estates* to stimulate new industry and the provision of these estates, of access roads and of services to them form an important constituent of local authority claims on the Regional Development Fund. The Scottish Development Agency is also responsible for the *derelict land clearance* programme, including the largest scheme at Strathclyde Park near Motherwell which will cost over £1m. European Investment Bank loans have been negotiated for new electricity generating stations

at Peterhead (1974) and Hunterston (1975) and for electricity transmission schemes associated with the Peterhead station and with a new one at Inverkip in Strathclyde region, both in 1975. On a smaller scale further development is taking the form of schemes to improve industrial supplies in some areas and extend rural supplies in others. Both the Edinburgh area and Fife require substantial *new water supply schemes* which will be of considerable benefit to industry in the short or long-term and work on the Megget and Castlehill reservoirs is proceeding. Elsewhere industrial development at Hunterston and in the Grampian Region in particular require new water provision. As regards the *treatment of industrial effluent* and domestic sewage higher standards of discharge to river and tidal waters from industrial development require substantial investment in new treatment works particularly at Glasgow, Edinburgh, Dundee and Aberdeen, but also on the Clyde coast for the drainage of the Garnock and Irvine Valleys where development is taking place.

(h) WALES

Description

7.124 Wales covers an area of 2,076,000 hectares, has a population of 2.8 million, a workforce of 1.1 million and accounts for 4.1 per cent of the United Kingdom's Gross Domestic Product. Unemployment in June 1976 was 74,000, 7.2 per cent of employees.

7.125 The whole of Wales is an Assisted Area. There are two Intermediate Areas in South East and North East Wales, but the whole of the remainder is a Development Area, with two substantial sections – the industrial valleys of south Wales and north west Wales – having Special Development area status. In addition, much of the highland areas of mid-Wales, north Wales and of south east Wales are less favoured agricultural areas.

Problems

7.126 The long term problems with which regional policy in Wales has had to cope are those of the decline in employment in the country's basic industries – coal, steel and agriculture. Between 1965 and 1975, employment in mining fell by 52,000 (55 per cent), in metal manufacture by 16,000 (16 per cent) and in agriculture (employees only) by 13,000 (33 per cent). There are however other smaller scale problems such as the near disappearance of the slate industry in north west Wales, where it was virtually the only substantial industrial employer in a predominantly rural area and the decline in the textile industry in the north east. Overall, employment in Wales during this period declined by 30,000 approximately 3 per cent – 1½ times the rate experienced in the United Kingdom as a whole. Male employment fell by 90,000 (13 per cent), and was only partially counter-balanced by an increase of 60,000 (19 per cent) female jobs. The most crucial effect of the decline in employment in the basic industries has been a persistently high level of unemployment averaging about 1½ times the average for the United Kingdom as a whole.

7.127 One result has been a high level of net emigration from both urban and rural Wales. While this movement has now been halted, there is a continuing serious problem of emigration affecting young people of high ability and qualifications and an inward migration of retired persons primarily along the north coast and to South West Wales.

7.128 To cope with these problems successive Governments have pursued a policy of providing work for those whose jobs had disappeared by creating a soundly based manufacturing sector to balance out continuing over-dependence on the basic industries with as wide a spectrum of types of employment as possible.

7.129 Between 1965 and 1975 regional policy helped stimulate some £1,600 million (at current prices) of manufacturers' capital expenditure in Wales: approximately 7.0 per cent of the United Kingdom total. While this investment has gone some way to modernising the capital stock of Wales, a large part has gone to capital-intensive industries, only a relatively small proportion being taken up by engineering and other manufacturing industry where the return, in term of jobs, would have been greater. So although per capita Gross Domestic Product in Wales in 1974 was only 80 per cent of the United Kingdom average, net output per manufacturing employee in Wales is higher than in any other United Kingdom region, except South East England.

7.130 In paragraphs 7.131-142 Wales is examined in terms of its problems as they affect particular areas.

Industrial South Wales

7.131 Although most of the land area of Wales is given over to forestry and agriculture, most of the population lives in towns; two-thirds live in industrial South Wales, ie in the Counties of Gwent, Mid, West and South Glamorgan and the District of Llanelli. In this part of Wales – and particularly in the mining and industrial valley area, which comprises the South Wales Special Development Area – acute problems have arisen. Employment in coalmining has dramatically declined; in the last 15 years the number of jobs in coalmining in the South Wales Valleys has declined by over 50 per cent to its present level of 35,000. In South Wales too the major impact of the British Steel Corporation's strategy for rationalising and developing the industry is being felt. Within the next 2 years the number of job opportunities at the Ebbw Vale Steelworks will have been halved – a loss of over 4,000 jobs in an area where, until recently, 45 per cent of all male employment was in these works. By the early 1980s a further 3,900 jobs will have been lost as a result of the decision to close the steelworks in Cardiff. Also in prospect in West Glamorgan is the closure in 1979 of the Duport Steelworks at Briton Ferry, with the consequent loss of about 900 jobs. The impact of these closures on individual communities can hardly be exaggerated.

7.132 The economic aspects of the problems of South Wales are accompanied by social problems. Communities which have depended on a single industry inevitably find that the decline of that industry and the ageing of their urban fabrics creates immense problems in the field of housing, communications, telecommunications, social and environmental services. In 1975 45 per cent of the million or so houses in Wales were built before 1919, compared with 33 per cent in England. The percentage of unfit housing in Wales is also much higher than in England – 15 per cent compared with 7 per cent. In the South Wales valleys it is higher still at 30 per cent. Successive governments have aimed at creating new jobs and enhancing the environment of the industrial valleys in order to cope with these social and infrastructural problems.

7.133 Major economic development has taken place in the principal settlements along the lowland belt south of the more congested valleys including the arrival of government establishments from England to Newport, Cardiff and Swansea. The extension of the South Wales motorway and the introduction of high speed rail services to London will make these areas increasingly accessible. Port facilities at Swansea, Port Talbot, Cardiff, Barry and Newport also add to the attractiveness of this part of Wales to new industry where there is increasing pressure on the availability of industrial land and other infrastructure and services. The development of this area will continue to contribute to the efforts to solve the structural problems of industrial South Wales.

North Wales

7.134 Virtually the whole of northern Wales is an important tourist area. Many existing facilities require extensive development to meet the demands of modern holiday makers. There is however a substantial industrial belt in North East Wales.

North East Wales

7.135 North East Wales (east Clwyd) is an important industrial area based on a coalfield around Wrexham where there has been a substantial reduction in the number of mines and jobs provided. In the last 15 years the number of coalmining jobs dropped from almost 7,000 to around 1,200 and only 2 collieries remain in North East Wales. Despite the introduction of new manufacturing in the Wrexham area, it has not been possible yet to reduce unemployment significantly and especially that of ex-miners.

7.136 Over recent years unemployment has increased substantially. Along Deeside there is a narrow manufacturing base with employment centred on 3 major companies in steel, textiles and aircraft production. The British Steel Corporation strategy originally included the proposal to end steel making (but not steel finishing) at the Shotton works with a loss of over 6,000 jobs. This decision is still under review, but the inevitable uncertainty and the likelihood that the scale rather than the fact of the job losses is at issue create a major difficulty in the area. The closure of one of the production units at Courtauld's Greenfield plant in 1976 with the loss of 600 job opportunities combined with the closure during 1977 of the firm's Castle works at Flint with a loss of 1,500 jobs (900 male) seriously aggrevate the difficulty. On the northern coast there are also serious problems of seasonal unemployment resulting from the area's reliance on tourism. A firmer basis of industrial employment is needed throughout North East Wales. As elsewhere it has been difficult to develop the necessary infrastructure for modern industry in places for the first time. The problem is one of finding industrial land, treating it to make it suitable for use as industrial sites, providing on-site and near-site facilities and the improvement of the major infrastructure services for the area and linking it to the rest of Wales and the United Kingdom.

7.137 These underlying difficulties are not reflected in population trends, which show a rapid increase. The latest projections for the county of Clwyd – of which the industrial area is a large part – indicate that the population may rise by nearly 33 per cent by 2001. This is accounted for by inward movement of retired persons to towns along the North Wales coast and by the arrival of people into areas from which they can commute to Merseyside. These migrant flows generate their own problems and in order to meet them and avoid increased dependence on other areas for employment, North East Wales urgently requires a sound and more broadly based industrial structure.

North West Wales

7.138 In North West Wales agricultural employment has fallen and high rates of unemployment have persisted since the decline of quarrying earlier this century and have resulted in the designation of much of it as a Special Development Area. The area is predominantly rural with a substantial agricultural sector (whose problems are virtually identical to those described in the paragraph below). There are also some important industrial features although difficult communications have discouraged industrial development. Holyhead is, however, a key port on the ferry route to Ireland and forms an important link in the European network of 'Euro-routes'. On the east coast of Anglesey a major oil terminal using the offshore single buoy system has been developed by the Shell Oil Company; the terminal is connected by pipeline to the Stanlow Refinery in Cheshire. A significant industrial feature however is the dependence of the area on a few large isolated establishments – the aluminium complex at Holyhead, the brakelinings factory at Caernarfon and the University College at Bangor. Electricity generation is also an important feature, with nuclear installation at Wylfa and Trawsfynydd and a large hydro-electric project under construction at Dinorwic. North West Wales, which contains the Snowdonia National Park, is an area of outstanding natural beauty and attracts large numbers of tourists, but employment generated by tourism is mostly seasonal and does little to offset rates of unemployment which are amongst the highest in the United Kingdom.

Rural and Mid Wales

7.139 This area includes the county of Powys, substantial parts of the county of Dyfed, and the District of Meirionnydd. The major problem of the area has been depopulation caused mainly by the large continuing decline in employment in agriculture which nevertheless still accounts for a fifth of the employed workforce. Between 1954 and 1974 the number of agricultural holdings in the area decreased by 9,800 and 9,100 full and part-time workers left the industry. The problem is thus to provide enough jobs to combat rural depopulation in the heartland of the Welsh

language and culture where one quarter of the working population is self-employed. In pursuit of this the Government has designated 6 growth towns (Aberystwyth, Bala, Brecon, Llandrindod Wells, Welshpool and Rhayader) and a new town at Newtown in Powys and for 9 years has concentrated major resources in them to stabilise population and provide employment and services. Newtown has the target of doubling the town's population to 11,000. The needs of these growth towns are modest compared to those of industrial South Wales but nonetheless crucial. Throughout the area, and especially in the west a major difficulty arises from its relative isolation from all main communication networks. The fundamental need is to provide adequate infrastructure services, industrial sites and roads. In most of Mid Wales the absence of any previous industrial development has added to the difficulties.

7.140 In rural Wales the need to provide for the creation of new industrial employment does not over-ride the continuing importance to the area of agriculture and forestry. The area's relatively high rainfall makes it a vital source of water for Wales and substantial parts of England – especially the industrial West Midlands and Merseyside. Tourism is also still growing rapidly as the potential of this scenically beautiful area is being steadily realised. The infrastructure needs of agriculture and tourism are also of major significance, as are soundly based service industries, without which neither the traditional industries nor tourism can prosper.

South West Wales

7.141 The South West peninsula of Dyfed contains some of the most beautiful scenery and some of the best farming land in the Principality. It also contains the ferry port of Fishguard. Separate mention must be made of the Milford Haven Waterway, the United Kingdom's biggest oil terminal, handling over 27 per cent of the United Kingdom's oil imports, and a major oil refining centre. The servicing of this crucial element of the United Kingdom's industrial capacity in an otherwise predominantly rural area makes special demands on communications and other infrastructure.

7.142 The offshore area is at present the focus for the exploratory effort now under way to find oil and/or gas in the Celtic Sea and adjoining waters. Considerable initial investment in service base facilities and fabrication yard developments has already taken place but during the initial exploratory stages and when exploitation begins, new efforts will be required to enable the infrastructure servicing the area to cope quickly with the demands.

Development objectives

7.143 The objective of regional development in Wales is to stem the outflow of the working population by providing incomes and employment through the promotion of industrial expansion and diversification, particularly in areas of decline of older industry, while ensuring that inevitable processes of technical change take place in the least socially harmful way. While manufacturing industry is of prime importance in the most heavily populated areas, service and office employment, agricultural improvement and the expansion of tourism all play their part in the general strategy. Improvements in infrastructure and communications within Wales will make possible the full exploitation of the country's proximity to the industrial centres of the Midlands, Merseyside and the South East.

7.144 In industrial South Wales modern industry requires a range and standard of facilities not previously demanded by the coal and steel industries. Major requirements are the provision of suitable industrial sites and buildings, service facilities and good communications, with access to a well trained labour force. The most acute problem arises where there is a serious shortage of sites suitable for new industry – especially in the valleys; the closure of collieries rarely provides adequate sites. A major programme is therefore in progress to create suitable industrial sites in the valleys, in many cases on land hitherto covered by spoil heaps left by collieries. These sites also require water, sewerage and power supplies, access roads and improved communications between the valleys and the main links between South Wales and the markets it serves. This involves not only local work but extensive improvement of the main network. The rehabilitation of the valleys must be accompanied by new development within commuting distance to enlarge the range of job opportunities available to the population.

7.145 The North Wales area urgently needs major infrastructure investment for the maintenance and expansion of existing industrial and tourism activities, and to attract new economic activity to an area of high unemployment.

Development measures

7.146 The following paragraphs describe the principal measures being taken towards these objectives. However, reference should be made first to two new agencies established or being established by the Government.

7.147 *The Welsh Development Agency*, established on 1 January 1976 has the objectives of accelerating the economic and industrial development of Wales, maintaining and safeguarding employment, and improving the environment. The Agency is empowered to provide financial or other assistance to industry, create new companies, construct and manage advance and purpose-built factories and to undertake environmental improvement and the rehabilitation of derelict land. The Agency operates within its powers under the Welsh Development Agency Act 1975 and within administrative guidelines made by the Secretary of State. In particular it is required by the Industrial Investment Guidelines to secure an appropriate rate of return on its investment activities. The Agency, in its initial period of operation, has largely concentrated its efforts on its inherited programme of advance factory building and on an enhanced programme of derelict land clearance and environmental improvement.

7.148 *The Development Board for Rural Wales* will be responsible after 1 April 1977 for promoting the economic and social development of its area of responsibility, which is initially the County of Powys and the districts of Ceredigion and Meirionnydd. The Board will complete the development of Newtown as a new town and will take over responsibility for the Government's advance factory building programmes in its area, with the added power to build housing for incoming key workers. It will also be empowered to give assistance to local authorities and other bodies responsible for infrastructure projects and to give assistance for social projects.

Roads

7.149 Road development in Wales has fallen behind that of other parts of Great Britain. In national terms the primary aim of the Government strategy is to achieve a major improvement in communications between Wales and its markets, to the east through England and to the Continent, reflecting the need to strengthen the industrial economy of Wales. The most important links in this west-east strategy are:

M4 Motorway. At present this is complete from London to Newport. The development of this motorway as far as Pont Abraham is a first priority and will be substantially completed over the next 4 years. Substantial improvement of the A48 west of Pont Abraham is also intended.

A55 Trunk Road. This links North Wales with the North West of England with its access to the M6/M1 route to the Midlands, South East England and the Continent and to the M62 route to Hull and Northern Europe. The improvement of this road comes second in priority only to the M4, and more resources will be concentrated on this road as expenditure on the M4 reduces in the next few years.

Mid Wales-Midlands. Although not on the same scale of industrial importance as the South and North major routes the improvement of the links between Mid Wales and the Midlands is important to the development of this area.

South Wales-Midlands. There is a strong economic link between the Midlands and the Swansea/Port Talbot and Cardiff/Newport areas and communications have been improved in recent years by the construction of a dual carriageway from Cardiff to Monmouth and of the 'Heads of the Valleys' road, and further improvements in the 'Heads of the Valley' route are planned.

7.150 Although the greatest emphasis is on East-West links the Government is also concerned that there should be improved road access between North and South Wales, and the effort towards the fulfilment of this policy is concentrated on the improvement of the A470, between Cardiff and the County of Gwynedd.

7.151 Local road networks are the responsibility of county councils. Central Government and the counties agree on the importance of improving certain parts of the network. For example the improvement of road links from the South Wales high unemployment areas in the Valleys to the coastal plain – and the M4 motorway – is vital to the future of these communities. Similar considerations apply in North East Wales, where there is a need to improve the road network towards the rail link at Crewe and the M6 and linked motorways in North Cheshire.

Water and Sewerage

7.152 Wales is well endowed with water but the systems date from the late 19th century and are barely adequate for supplying present industries, let alone being required to provide facilities for new industry, but communities are served by a multiplicity of small water works, with many incapable of sharing resources with their neighbours. Each valley community had discharged its effluent into its own river, so these natural aqueducts are often unsuitable for use to service factories in areas with development potential. Only with the establishment of the Welsh National Water Development Authority (WNWDA), has a start been made on resolving these problems.

7.153 The problems of South East Wales are reflected, on a different scale in central, western and northern areas. A vast programme of renewal of treatment plants and trunk sewers is overdue for present domestic and industrial needs.

7.154 The greatest single capital investment will be the Craig Goch development in Mid Wales, creating the largest man-made lake in Europe; this will ensure future water supplies for substantial parts of England as well as for large areas of Wales. The projected dams are high enough to provide for major hydro-electric schemes. Rapid exploration and feasibility studies are now needed to determine the size and potential of this most significant development.

Tourism

7.155 Considerable efforts have been made in recent years to provide the basic infrastructure which is needed if visitors are to be drawn to those parts of Wales which provide the main attractions. But much remains to be done to attract a wider range of visitors to long-standing tourist areas and there are other areas in Wales with considerable potential for tourism which cannot be tapped because of the lack of the necessary basic facilities. For many local authorities the revitalisation of their resort facilities is at least as important as new industrial investment in contributing to the solution of their employment problems.

7.156 A continuing programme of investment, not just in new and improved accommodation but in the full range of tourist amenities and recreation facilities – including the increasing demand for modern conference facilities – is essential to the proper development of this sector.

Ports

7.157 The ports of South Wales represent a major resource for development. Those at Newport, Cardiff, Barry, Port Talbot and Swansea (all operated by British Transport Docks Board) carry substantial volumes of iron-ore, coal, timber, steel and petroleum. Their significance, like that of Milford Haven, spreads well beyond Wales, and the continued development of the ports themselves and their supporting infrastructure is a vital element in the future growth of Wales. In North Wales the port of Mostyn, while small, is of major local importance. There are also important Ferry ports at Fishguard and Holyhead and at both of these British Rail, the operators, are undertaking substantial development of services. The importance of the port of Milford Haven, now the major oil port in the United Kingdom, can hardly be over-emphasised.

Civil aviation

7.158 Industrialists in Wales stress the need to

develop the country's air links within the United Kingdom, as well as with other parts of Europe. Considerable importance attaches to measures to encourage the introduction of more direct air links with European and other overseas destinations, to the introduction of better domestic air links with other parts of the United Kingdom and to the development of feeder and distributor services within Wales.

7.159 The major civil airport in Wales is situated at Rhoose in South Glamorgan. Other civil airports are at Fairwood Common, near Swansea, and Withybush near Haverfordwest; in addition provision is made for civil movements at several military airfields such as Hawarden in Clwyd and Valley in Anglesey.

Public Transport

7.160 The Government encourages the transfer of freight from road to rail and the extended use of techniques such as container handling – there are freightliner container terminals at Cardiff and Swansea and container handling facilities at Fishguard and Holyhead. Every encouragement is given to industry to obtain aid available under the Railways Act 1974 to undertake new investment in these facilities. There are also special trains with purpose-built wagons which carry iron-ore for the British Steel Corporation between Port Talbot and Llanwern in trains each carrying over 2,000 tons.

7.161 The major passenger-rail links are the inter-city services between Swansea, Cardiff and London and along the North Wales coast through Chester and Crewe. Local passenger services, particularly in the Cardiff area, and local bus services throughout Wales, have an important function in providing a facility for travel to work and these are improved whenever necessary.

The Gas Industry

7.162 On the changeover from manufactured to natural gas – completed in 1974 – sales in Wales markedly increased, particularly to industrial users. Wales Gas has embarked on a programme to reinforce its distribution network to cater for these developments. Distribution problems especially affect rural areas. Several projects are planned or already under way including schemes to reinforce the transmission system in South-West Wales and for the reinforcement of supplies to Anglesey. Both of these will start during 1976. There have been problems over finding a suitable site for a natural gas liquefaction and storage plant in South Wales.

Electricity

7.163 A large hydro-electric power station is under construction at Dinorwic in north west Wales. There is a continuing programme of investment to deal with the specific local requirements of industrial estates and individual consumers.

Telecommunications

7.164 The need in more populous and industrial areas to replace obsolete telephone network patterns with those suited to modern needs and the inaccessability and sparse population of large areas of Wales, provide the main problems for the Post Office. By the end of 1978, however, it is hoped to bring Subscriber Trunk Dialling to all subscribers in Wales. The Post Office have plans for a major investment programme in telecommunications in Wales over the next three years.

(i) NORTHERN IRELAND

Description

7.165 Northern Ireland covers an area of 1,412,000 hectares, has a population of 1½ million, a workforce of 0.53 million and accounts for 2 per cent of the United Kingdom's Gross Domestic Product. Unemployment in June 1976 was 0.05 million, 10.4 per cent of employees.

7.166 All of Northern Ireland is a national priority area. In addition, large parts of the country have been designated as less favoured agricultural areas.

Problems

7.167 The region has persistent and severe economic problems which are exacerbated by its location on the extreme periphery of the Community and by its lack of natural resources.

7.168 The Northern Ireland economy exhibits all three types of problem specified in the Fund Regulation – a heavy dependence on agricultural employment, structural under-employment and a manufacturing industry whose structure is heavily weighted by declining sectors. Employment in agriculture and related activities has fallen by over 50 per cent since 1950, largely as a result of increased productivity. Nevertheless, the industry still accounts directly for 8½ per cent of total employment, with processing and other ancillary activities contributing a further 3½ per cent. Agricultural employment continues to contract at the rate of 1-2,000 jobs per year. In the main areas of decline in manufacturing industry – traditional textiles, clothing, and shipbuilding – employment fell by 37 per cent between 1965 and 1975. This has involved an average loss of 2,600 jobs per year, an annual rate of decline equivalent to 1½ per cent of total manufacturing employment.

7.169 Northern Ireland has for long suffered the highest level of unemployment in the United Kingdom, low incomes and a high level of net emigration. The post war average rate of unemployment is 7 per cent, which is over twice the level in the United Kingdom generally. Average unemployment (June 1976) was 10 per cent rising to over 27 per cent on the periphery of the region. Income levels, in terms of GDP per capita, are 59 per cent of the Community average and are the lowest of any region in the United Kingdom. Net emigration averaged 7,000 people per year during the 1961-71 period (40 per cent of the natural increase), but the evidence suggests that the level of emigration has accelerated greatly in recent years while the rate of natural increase of the population (which had been among the highest in Europe during the 1960s) has begun to slow down. Nevertheless, it is expected that numbers in the working age groups will continue to increase over the next few years as a result of the high birth rates in the past.

7.170 The problems of regional development are compounded by a severe imbalance in the distribution of population. Forty per cent of the total population live in the highly congested Greater Belfast Area. Most of the remainder lives in small towns and rural settlements, which poses considerable problems for attracting industrial development on a significant scale. There is consequently a wide variation in employment opportunities within the region, with particularly severe unemployment in the rural areas of the South and West. In normal circumstances it might be expected that internal migration would reduce these differences in unemployment, but the general shortage of jobs has not encouraged mobility and the internal civil unrest of recent years has been a deterrent to mobility.

7.171 In addition to the long standing aspects of the regional problem, a further set of difficulties has more recently begun to affect the Northern Ireland economy. There are three new factors which give particular cause for concern.

7.172 First, there has been a serious deterioration in the region's ability to attract new industrial development. The policy of industrial development pursued by the Northern Ireland authorities has been the cornerstone of the efforts to create new employment and, until recent years, the policy enjoyed considerable success. Almost half of Northern Ireland's manufacturing jobs are in projects assisted under this policy and many are in sectors such as man-made fibres which were not previously represented in the region and have contributed much to its past resilience and capacity for growth. However, the combined effects of the present recession, the severity of international competition to attract mobile industry and the continued civil unrest in Northern Ireland, have severely curtailed new investment in the region and cause concern about prospects for the future. It is no longer possible to sustain the flow of new industrial jobs which in the past enabled the region to contain, if not to overcome, its endemic problem of unemployment.

7.173 Second, manufacturing costs in Northern Ireland have increased so much that a considerable proportion of the region's existing industry is finding it difficult to remain competitive in terms of cost, and potential investors are confronted with a further disincentive to development in the region. The main area of concern is the cost of energy. The sharp rise in oil prices since 1973 has had a most serious effect on electricity costs in the region, where nearly 80 per cent of electricity is produced from oil, In 1973 electricity prices in Northern Ireland were broadly comparable with those in the rest of the United Kingdom, but now they are significantly higher. The price of gas is three times higher in Northern Ireland than in Great Britain. The oil crisis has also focussed attention on transport costs, which have always been one of the region's most serious locational disadvantages.

7.174 Third, Northern Ireland is highly dependent on public expenditure to stimulate capital investment and to create and maintain employment. Over the past 20 years the growth of employment in the service sector, particularly in the public services, had been of great importance in off-setting job losses arising elsewhere in the regional economy. The severe restraint on public spending in the United Kingdom may be expected to reduce this source of buoyancy and to diminish further the region's prospects of reducing unemployment and increasing incomes.

Prospects

7.175 The combined impact of the factors discussed above suggests that the present recession has marked a distinct turning point for the regional economy. During the next few years it seems probable that there will be little growth in the previously buoyant service sector, and that the number of new jobs provided by manufacturing investment will be insuffient to compensate for the continued loss of employment expected from further structural contraction in the economy. As a result, a substantial deterioration in the already serious unemployment position in Northern Ireland must be expected in the next few years.

Development objectives

7.176 Northern Ireland's main economic development objectives are dictated by the nature of the regional problems. Development policies must be directed toward removing the problems of unemployment and low incomes through the creation of employment opportunities and the improvement of conditions for economic growth. This in turn requires a sustained effort to strengthen the industrial structure and to arrest its further contraction; to minimise the adverse economic effects of the region's peripheral status; and to ensure that there is a maximum degree of correlation between the physical development of the region and its economic requirements.

7.177 The preservation and improvement of Northern Ireland's industrial structure depends upon the availability and successful application of measures to restore and enhance the attractions of the region as a location for industrial investment. Some of these are noted in the following section. However, the severity with which the recession has affected Northern Ireland, combined with the other factors which are now acting to the disadvantage of the region, is contributing to an erosion of the existing industrial base. There is consequently a danger, if this erosion proceeds unchecked, that it will impair Northern Ireland's capacity to respond to the economic improvement which is now expected in the Community generally. Within the context of the established objective of encouraging new employment-creating investment, new emphasis must be given to the containment of the relative decline in the region's attractiveness as an industrial location, the preservation of jobs in existing enterprises, the rationalisation of traditional industries and the provision of the necessary skilled manpower.

7.178 Northern Ireland's physical isolation from Great Britain and from the main body of the Community has proved to be a serious disincentive to investment and development. The region's remoteness from major markets and sources of supply raises problems for investors which are partly practical, such as transport costs and the time required to deliver and to receive goods, partly psychological. The quality of external transport services for freight and for passengers is therefore of very great importance to industrial development. A key factor in these arrangements is the standard of terminal facilities in Northern Ireland for both sea-borne and air-borne traffic.

7.179 The constraints on industrial development offered by the present uneven distribution of population in Northern Ireland, and in particular by the absence of sizeable population centres outside the Belfast area, are recognised in a regional physical development strategy which is now being applied. This strategy is intended to govern spatial patterns of investment, particularly in the provision of industrial sites and in facilities for energy water and sewerage, and communications. A concept of 'growth zones' is used and differing scales of development are envisaged. In general the strategy is aimed at the further development of zones based upon district towns, although some centres – particularly Belfast, Londonderry, Craigavon and Antrim/Ballymena – because of their size and development potential play a particularly important role. The strategy is closely tied to programmes for infrastructure investments which seek to create facilities essential for economic growth and to relieve the strains on existing services imposed by present levels of development. Such investments in infrastructure will not be restricted to facilities directly required for industrial development, but will include measures to tackle problems of urban decay and inadequate and sub-standard housing, which are widespread through the region.

Development measures

7.180 *Industrial development.* There is a special range of financial and other incentives available to Northern Ireland to help provide new employment opportunities and to diversify the industrial base. Among industrial projects to be undertaken in the near future are expansion by the Ford Motor Company and Hughes Tool Company, both in Belfast.

7.181 In addition the Northern Ireland Development Agency has been established to complement the work of the Department of Commerce in strengthening the region's industrial structure.

7.182 *Industrial sites and factories.* The advance provision, preparation and servicing of industrial sites is an important facet of regional policy and is coupled with a continuous programme for the construction of Advance Factories in selected areas. The present programme takes account of local needs and of the prospects of arranging for suitable usage of the facilities.

7.183 *Ports.* Northern Ireland's main commercial ports are vitally important features of the infrastructure of this region of the United Kingdom. The region's need to import practically all of its raw materials and export the vast bulk of its products, combined with a serious unemployment problem, have encouraged the main commercial harbour authorities to modernise and equip the habours to meet the needs of both importers and exporters and to aid the establishment of new industries. Projected improvements at Belfast Harbour over the next few years include provision of new roads to ease traffic congestion and the continuation of schemes to improve quays to meet the rapid growth in traffic through the port. The port authority for Larne Harbour, which specialises in handling roll-on, roll-off vehicular and container traffic, intends to continue its extensive scheme to modernise the port's existing facilities and to provide additional ones. In addition, development works are planned for the three fishery harbours at Kilkeel, Ardglass and Portavogie, where the harbour is no longer able to handle present day traffic levels. The development of fish landing and on-shore processing facilities is essential to the Northern Ireland fishing industry and to the maintenance of employment in related activities especially in areas where there is a high level of unemployment and little prospect of alternative employment.

7.184 *Airport* Aldergrove is the only airport in Northern Ireland operating scheduled services. The region's physical remoteness means that it is particularly dependent on air services for passenger transport to Great Britain and overseas. The existing airport facilities were designed to accommodate 900,000 passengers but are now having to handle approximately 1.2 million passengers in the year. Firm outline proposals for the development of terminal facilities at an estimated cost of £8-10m have been agreed and it is expected that work will start in 1977.

7.185 *Roads* An efficient road network is vital in Northern Ireland because there is no significant railway system and no inland system of canals. Priority in the road programme will be given to:

(a) providing traffic routes to service areas of major industrial and related housing development;

(b) carrying out road works which form part of the physical development strategy for Belfast and the District Towns;

(c) the strategic links between the District Towns and the major sea ports and airport.

Projects planned for 1977 to 1979 include four schemes to improve sections of the T4 route which is the main inter-state road between Northern Ireland and the Republic of Ireland, two schemes to improve communications between the relatively remote counties of Fermanagh and Tyrone and the main sea ports and airport, and schemes which will facilitate tourist development in western areas.

7.186 *Water supply and sewerage* The provision of an adequate water supply for industrial and housing development and the protection of the environment from the effects of pollution requires major investment in water and sewerage facilities. Some of the major schemes which will be undertaken during 1977 to 1979 are the Tunne Point Scheme which is designed to bring additional water to Belfast from Lough Neagh, the Sydenham Pumping Station and Welland Street Culvert, Castor Bay – Ballydougan Trunk Main which will bring additional water supplies to the Craigavon development area, and Portadown Sewerage Scheme.

7.187 *Drainage* Planning for arterial drainage and related activities such as the maintenance of sea defences and the improvement and maintenance for navigational use of a number of inland waterways is done on a Northern Ireland basis and for the benefit of the region as a whole. An important aspect of this programme is the improvement of water courses in order to provide protection from flooding to industrial and commercial premises, infrastructure and dwellings.

7.188 *Electricity* The historic high rate of growth in the demand for electricity in Northern Ireland reflects both a lack of indigenous fuels and the location in the region of electricity – intensive industrial consumers. Since 1973 the growth rate has been falling and in 1976 there was no increase; however, the rate is expected to recover in the period to 1979 to around 4 per cent per annum. The provision of electricity generating plant to meet demand has required a major programme of investment and further investment is required to reinforce the transmission system throughout the region particularly to reinforce supplies to the major growth centres of Antrim/Ballymena and Craigavon.

7.189 *Gas* The gas industry in Northern Ireland is entirely dependent on oil feedstock in the form of naptha or liquefied petroleum gas and is three times more expensive than in Great Britain where consumers have access to supplies of natural gas. The British Gas Corporation is currently carrying out a survey of the industry in Northern Ireland. If restructuring of the industry is considered necessary, it is likely that substantial investments will be required.

7.190 *Telecommunications* The Post Office has a continuous programme of telecommunications work as part of a comprehensive plan for the improvement of communications throughout Northern Ireland. The extension of telecommunications to rural areas is important.

7.191 *Tourism* There are large areas of Northern Ireland where the scope for industrial development is limited but where tourism represents an important alternative economic activity. This is particularly the case in the west of the region, eg the Fermanagh Lakeland, where the development of tourist facilities will provide a useful number of job opportunities. The development of facilities for tourists throughout the region will, by improving the quality of the physical environment, assist in the attraction of new manufacturing and service industries.

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Parliament

Monday, 14 February

Chrysler (UK) Ltd

Michael Grylls (North West Surrey) wanted to know the total amount paid by the Department of Industry to Chrysler (UK) Limited up to 9 February 1977, following the 5 January 1976 agreement between the government and the company.

Mr Williams replied: 'Payments totalling £40 million have been made in accordance with clause 2(6) of the agreement with Chrysler dated 5 January 1976. Additionally, certain advances in respect of the guaranteed loan have been made in accordance with clause 5 of the agreement. For confidentiality reasons I am not prepared to disclose the amount of these advances.'

Telecommunications industry

Maureen Colquhoun (Northampton North) asked if the Secretary of State for Industry would hold an immediate inquiry into 'the run down of the United Kingdom telecommunications industry'.

Mr Huckfield said: 'Several meetings have been held by ministers and the Post Office with representatives of the main companies and unions in the telecommunications industry about the consequences of the reduction announced in November 1976 by the Post Office in its future ordering programme for telephone exchange equipment. My rt hon friend is arranging for an independent expert to consider the assessment which led the Post Office to reduce its ordering programme. My rt hon friend is also considering the recommendations in a recent report by Sir Raymond Brown for the NEDC on arrangements to assist the industry's export efforts.'

National Shipbuilders and Repairers

Mr Grylls asked for a list of the companies to be held in trust by National Shipbuilders and Repairers Ltd and the cost of their acquisition.

Mr Huckfield replied: 'It is intended that National Shipbuilders and Repairers Ltd will hold on trust for the Crown all the publicly owned stock and shares in Appledore Shipbuilders Ltd, Cammell Laird Shipbuilders Ltd, Govan Shipbuilders Ltd, North East Coast Shiprepairers Ltd, and Sunderland Shipbuilding and Engineering Ltd. These shares were acquired between 1970 and 1975 at a total cost of £34.5 million.'

'What is the capital, both authorised and issued, of National Shipbuilders and Repairers Ltd,?' asked Mr Grylls.

'It is the intention to incorporate National Shipbuilders and Repairers Ltd under the Companies Acts as a company limited by guarantee and not having a share capital,' said Mr Huckfield.

BSO form PQ 417-1

John Farr (Harborough) asked: 'Is the completion by small knitwear firms of form PQ 417-1 now being distributed by the Business Statistics Office compulsory; and what are the penalties involved if a firm is unable to comply due to the full time occupation of office staff in sales promotion?'

'Yes Sir', said Mr Huckfield, 'but establishments employing fewer than 25 persons are not asked to complete form PQ 417/1. The information is required under the provisions of section 1 of the Statistics of Trade Act 1947 and is used by the government and the industry concerned. Section 4(1) of the act provides that any person failing to furnish returns may be liable, on summary conviction, to a fine not exceeding £50, or a fine not exceeding £200 for a second or subsequent offence.'

Mr Farr also asked why the BSO does not distribute form PQ 417-1 requesting a large amount of detailed information before the commencement of the quarter in session instead of 11 days after the end of the quarter, 'thereby placing small businesses in the time-consuming position of searching through old records for the needed information.'

Mr Huckfield answered: 'Form PQ 417/1 is normally despatched from the BSO during the last week of each quarter, since the information required relates to sales in that quarter which could not be available before the end of it. Despite timely despatch on 31 December 1976 delivery of some of the fourth quarter 1976 forms was unfortunately delayed, in January 1977 following the holiday period. Also when first approached businesses are always allowed extra time to adapt their sales records to the needs of any inquiry.'

Tourism

Michael Neubert (Havering, Romford) asked for an estimate of gross foreign currency earnings attributable to UK tourism, the amounts spent by UK citizens on holidays abroad and the resultant balance on the tourist account, for the years 1975 and 1976, respectively.

Mr Meacher answered that UK earnings were increasing faster than expenditure abroad last year and the favourable balance was improving from £239 million in 1975 to over £400 million in the first nine months of 1976. He gave the following figures.

UK BALANCE OF PAYMENTS TRAVEL ACCOUNT
£ million

	Credits	Debits	Balance
1975	1,114	875	239
1976 (Jan-Sep)*	1,135	718	417

* Seasonally adjusted. Figures are not yet available for the fourth quarter of 1976.

Bullock Committee

Robert Adley (Christchurch and Lymington) asked the Secretary of State for Trade what differences he had discovered, at meetings with EEC colleagues, between their machinery for worker participation, and the majority proposals in the Bullock Report.

'Most of our EEC partners have developed systems of worker participation suited to their own particular needs and traditions,' said Mr Dell. 'Naturally there are many variations in the systems adopted in each country and between these and the majority proposals in the Bullock Report.'

'What preliminary discussions has the Secretary of State for Trade held with principal interested parties on the majority proposals in the Bullock Committee report?' asked Hugh Dykes (Harrow East).

Mr Dell said: 'The consultations to which I referred in my statement of 26 January will begin as soon as possible, now that those principally concerned have had time to study and reflect on the Bullock Report.'

UK and German shares of world trade

Ivor Clemitson (Luton East) asked: 'What has been the share of world visible trade represented by UK exports in each of the last six years; and what have been the corresponding figures for the Federal Republic of Germany.

Mr Meacher gave the following information:

PERCENTAGE SHARES OF MAIN MANUFACTURING COUNTRIES' EXPORTS OF MANUFACTURED GOODS

	United Kingdom	German Federal Republic
1970	10.6	19.9
1971	10.9	20.1
1972	10.1	20.3
1973	9.4	22.1
1974	8.8	21.6
1975	9.3	20.3

This information is taken from table C2 of the latest edition (no. 16) of the *Monthly Review of External Trade Statistics.*

Bermuda Agreement

Questions on the progress of the Bermuda Agreement negotiations were asked by Norman Tebbit (Waltham Forest, Chingford), Tom Arnold (Hazel Grove) and Robert McCrindle (Brentwood and Ongar).

Mr Dell replied: 'An economic assessment has been made by both sides, which makes it clear that our proposals will benefit both the airlines and the travelling public. During the recent visit of the US vice president, my rt hon friend the Prime Minister and I made it clear that we hope the Americans will be prepared to negotiate meaningfully at the next round of talks on 28 February in London.'

UK imports

Ronald Atkins (Preston North) asked for the total value of UK imports for the first nine months of 1976; and what proportions of this were manufactured goods, including machinery and transport equipment, fuel, food, drink and tobacco, raw materials and chemicals, respectively.

Mr Meacher answered: '£22,000 million cif, of which manufactured goods (excluding chemicals) accounted for 47 per cent, chemicals 6 per cent, fuel 19 per cent, food 14 per cent, drink and tobacco 1 per cent and raw materials 10 per cent.'

Sandals from Poland and Czechoslovakia

Michael Morris (Northampton South) asked: 'How long have negotiations on arrangements for imports of women's and children's sandals from Poland and Czechoslovakia been going on in order to settle the 1977 quota?'

'The European commission invited Poland and Czechoslovakia towards the end of last year to enter into negotiations about restraining their exports of women's and children's sandals to this country,' said Mr Meacher.

Gatt Multifibre Arrangement

Max Madden (Sowerby) and Nicholas Winterton (Macclesfield) inquired about progress in renegotiating the Gatt Multifibre Arrangement.

'The first round of discussions about the future of the Multifibre Arrangement took place in the Gatt Textiles Committee in Geneva in December.' said Mr Dell. 'At that meeting the EEC spokesman made a strong statement in favour of renewal of the arrangement with major changes. A further round of discussions is expected to take place in Geneva at the beginning of March.'

Ministers

Department of Industry

Secretary of State: Eric Varley
Ministers of State: Alan Williams
Gerald Kaufman
Parliamentary Under-Secretaries of State: Robert Cryer
Leslie Huckfield

Department of Trade

Secretary of State: Edmund Dell
Parliamentary Under-Secretaries of State: Michael Meacher
Stanley Clinton Davis

Department of Prices and Consumer Protection

Secretary of State: Roy Hattersley
Minister of State: John Fraser
Parliamentary Under-Secretary of State: Robert Maclennan

Arab boycott

Questions concerning the Arab boycott against companies trading with Israel were asked by Eric Moonman (Basildon) and Malcolm Rifkind (Edinburgh, Pentlands).

Mr Meacher replied: 'HMG is opposed to all trade boycotts which lack international support and authority. It remains our policy that individual firms should decide their own attitude to the Arab boycott in the light of their commercial judgement. The advice and assistance of my officials are available to any British firm which wishes to consult them. Any such discussions are always undertaken in strict confidence. The advice naturally depends on the nature of the problem but my officials ensure that companies which contact them are under no misapprehension about the operation of the Arab boycott as we understand it. They point out that many British companies trade successfully in both Arab and Israeli markets. It is not the practice of my department to require firms to report their attitude towards the boycott or their trading plans.'

'To what extent is the decline in the expansion of Great Britain's exports to Israel the result of the blacklisting of British companies who trade with Israel by the Arab world or of the fear of such blacklisting?' asked Mr Moonman.

Mr Dell replied: 'The decline in the growth of UK exports to Israel appears to reflect the overall pattern of Israel's imports. The latest official Israeli trade statistics show that in the first 11 months of 1976, compared with the same period in 1975, imports from the United Kingdom increased in value by 11 per cent while imports from all sources fell by nearly 1 per cent. Furthermore the UK is shown to have taken a larger share of the total Israeli import market.'

Sperm oil

Doug Hoyle (Nelson and Colne) asked how much sperm oil was imported in 1975 and 1976; and what were the ports of entry.

Mr Meacher gave the following available information:

Metric tons

	Year 1975	January to August 1976 (1)	Year 1976 (1)
Liverpool	4,857	3,607	
Hull	18	700	
Glasgow	1,016	500	
London (including Tilbury)	1,815	498	
Felixstowe	25	—	
Immingham	16	—	
Total	7,747	5,305	8,528

(1) Port information is not available after August 1976, to prevent disclosure of confidential commercial information.

Tobacco from Thailand

Frank Hooley (Sheffield, Heeley) asked: 'What was the total volume of imports of tobacco from Thailand in 1965, 1970, 1974, 1975 and 1976?'

Mr Meacher gave the following information:

	Tons
1965	2
1970	1,743
1974	2,711
1975	2,094
1976	1,673

Imports of steel

Michael Marshall (Arundel) asked what was the total tonnage of non-alloy steel light sections and flats imported from Spain and South Africa in each of the years 1973 to 1976; what was the equivalent tonnage of home produced non-alloy steel light sections and flats for the same periods; and for estimates of likely imports of non-alloy steel light sections and flats during the first quarter of 1977; and for the estimated amount of home-produced non-alloy steel light sections and flats for the same period.

'Estimates for the first quarter of 1977 are not available,' said Mr Meacher. 'Following is the other information:

Thousand metric tons

	Imports from Spain	Imports from South Africa	Deliveries by home producers for UK and abroad
1973	7	9	1,006
1974	1	3	961
1975	11	0	852
1976	26	15	772

Note:

These figures cover angles, shapes and sections less than 80mm thick, of non-alloy steel. The import figures also include flats of 127mm and under in width and of all thicknesses, whereas the delivery figures also include flats of 150mm and under in width and more than 4.76mm thick, of non-alloy steel in both cases.

Mr Marshall also asked why a Provisional Charge to Duty has not yet been imposed on the non-alloy steel light sections and flats imported from Spain and South Africa, and what progress has been made in the investigation of the prima facie case of dumping of non-alloy steel light sections and flats from Spain and South Africa announced on 1 February 1977.

'I am not satisfied at present that a provisional charge is necessary,' said Mr Meacher. 'Work on this case is proceeding. If in the course of the investigation sufficient evidence is found to justify the imposition of such a charge, for example, a marked increase in imports which indicates forestalling, then we shall take immediate action.'

SUITS

Dennis Canavan (West Stirlingshire) asked if the Secretary of State for Trade had completed his study of the Stock Exchange Inquiry Report into the company SUITS.

Mr Clinton Davis replied: 'In the light of the evidence in my possession I have concluded that there are no good grounds for appointing inspectors under section 165 of the Companies Act 1948. My rt hon and learned friend the Lord Advocate has not yet concluded his inquiries into the matter.'

Company liquidations, etc

John Osborn (Sheffield, Hallam) asked if fuller information would be published for 1977 about the closure of businesses or companies, distinguishing between compulsory and voluntary liquidations, forced and voluntary takeovers as a rescue operation and voluntary winding-up where outstanding debts are left unpaid.

Mr Clinton Davis answered: 'The information requested in the first part of the hon member's question is published, with figures for the previous nine years, in my department's annual report on companies. In addition, quarterly statistics of bankruptcies and company liquidations, both compulsory and voluntary, are published in *Trade and Industry*.

'A creditors' voluntary winding-up means that a company is insolvent and unable to repay its debts in full. In a members' voluntary winding-up, it is rare for a company subsequently to be found insolvent. As to takeovers, quarterly statistics of acquisitions and mergers of industrial and commercial companies are published in *Trade and Industry* and in Business Monitor M 7. It would be impracticable to supplement these to show rescue operations separately because there are no criteria by which such cases can be conveniently defined.'

Trade missions to South East Asia

Mr Hooley asked how many trade delegations from the United Kingdom visited South East Asia in 1975 and 1976.

Mr Meacher said that the British Overseas Trade Board supported 16 outward missions, representing 192 firms, 1975, and 15 missions, covering 202 firms, in 1976.

Overseas trade fairs

Mr A. P. Costain (Folkestone and Hythe) asked: 'What has been the government's annual expenditure on overseas trade fairs during the past five years?'

'Direct expenditure on overseas trade fairs has increased steadily over the five years up to 1975-76 from £3.8 million to £9.5 million,' said Mr Meacher.

Trawler 'Wyre Victory'

James Johnson (Kingston upon Hull West) asked for a statement about the report of the formal investigation into the loss of the trawler Wyre Victory.

Mr Clinton Davis said: 'The Court of Formal Investigation into the loss of the Fleetwood trawler *Wyre Victory* on 14 January 1976 found that the immediate cause of the casualty was the complete lack of attention to navigation which was substantially contributed to by the availability and excessive use of unauthorised alcoholic drink. As a direct result the *Wyre Victory* struck a rock within a quarter of a mile of the Oigh-Sgier (Hebrides) lighthouse and sank four hours later. It was largely fortuitous that the casualty did not result in loss of life.

'The *Wyre Victory* casualty once more focuses attention on the dangers of heavy drinking on board fishing vessels which has for long been an acute problem. My rt hon friend is glad to note the court's recommendations on the question which cannot be too strongly emphasised. There can be no doubt that where large quantities of alcoholic drink are taken on board illicitly and are freely available to the crew this can constitute a serious and self-imposed threat to the safety of the vessel and life at sea. The report draws particular attention to the heavy responsibility which rests upon owners and unions alike to co-operate in a determined effort to stamp out unauthorised drinking at sea.

'My department's Working Group on Discipline in the Fishing Industry recommended that it should be made an offence to bring unauthorised liquor on board a fishing vessel or to be in possession of such liquor aboard. The government has already indicated its intention to introduce legislation to implement this and other recommendations of the working group as soon as practicable. In the meantime the industry is urged to take the action recommended by the working group and now substantially endorsed in the *Wyre Victory* report.'

Price Commission

Michael Latham (Melton) asked: 'What is the current staffing establishment of the Price Commission; what is the current annual cost to public funds of this body, including salaries and administrative overheads; and what were the equivalent figures for 1 March 1974, 1975, and 1976?'

Mr Maclennan answered: 'The staff of the Price Commission at present number 659. Equivalent figures for 1 March 1974, 1975 and 1976 were 557, 714 and 729, respectively. The estimated total cost to public funds for the current financial year is £6.6 million. Equivalent figures are not available for periods ending 1 March 1974, 1975 and 1976, but for the financial years 1973/74, 1974/75 and 1975/76 the figures were £3.0 million, £4.6 million and £6.4 million.'

Food subsidies

Mr Latham asked: 'What is the total sum paid out to date on each of the relevant products by way of food subsidies since the introduction of the subsidy system under the Prices Act 1974; which of the subsidies have now been totally discontinued; and which will be discontinued during the financial year 1977-78?'

Mr Maclennan gave total expenditure on general food subsidies between 1 April 1974 and 31 January 1977 as follows:

	£ million
Milk	821.1*
Butter	237.8†
Cheese	137.0
Bread	185.7
Household flour	18.2
Tea	63.7

* Includes £56.5 million expenditure under Appropriation Acts.

† Includes £41.7 million expenditure by Feoga.

The tea and butter subsidies have now been discontinued and the remainder will be discontinued during the financial year 1977/78.

Price monitoring by trades councils

Gwilym Roberts (Cannock) asked what study has been made by the Secretary of State for Prices and Consumer Protection of the price monitoring work being carried out by the Cannock Trades Council; how many other trades councils were inolved in this work; and what steps will be taken to encourage trades councils and similar bodies to undertake price-monitoring and consumer protection work.

Mr Maclennan answered: 'Like all the local

price comparison schemes assisted by my department, the methods used by the Cannock Trades Council for their survey, including for example details of the measures they have taken to publicise the results have been approved. Copies of the results of the survey are received regularly and scrutinised, and I am satisfied that it is providing a useful service.

'One other trades council is participating in the scheme, namely Bournemouth and Christchurch. A third trades council submitted an application but subsequently withdrew it.

'The TUC has drawn the attention of local trades councils to the scheme and asked them to help in any way they can. We have also given every encouragement to voluntary bodies to participate where surveys are not already being conducted by local authorities. We have approached the National Association of Citizens Advice Bureaux, and the National Federation of Consumer Groups as well as giving help to particular bodies like the North Staffordshire National Housewives Association and Southampton University which showed an interest. As relatively few voluntary bodies have the necessary resources to persist with local price surveys every week, their main contribution has been in occasional surveys in areas not covered by weekly price comparisons.'

Electric blankets

Mr Hoyle asked questions on the improvement of safety regulations for electric blankets; about research being undertaken into the safety of electric blankets; and about discussions with the manufacturers of British blankets in an effort to improve safety regulations.

Mr Fraser replied: 'My department maintains close contact with the British Electrotechnical Approvals Board and the Electricity Council on matters relating to the safety of electric blankets, and takes part, with representatives of manufacturers and consumers, in the appropriate technical committee of the British Standards Institution.

'If the committee produces an improved safety standard for electric blankets I shall consider amending the regulations. But as most accidents involving electric blankets are caused by misuse, it is difficult to reduce their number without putting the cost of the blankets beyond the pockets of those who need them most.

'My department also carries out surveys of particular problems from time to time: for example, a survey of fires in England and Wales attended by fire brigades, and where over-blankets were likely to have been involved, was carried out in the winter of 1975-76. The results were published in my Electrical Adviser's report, "A Commentary on Electrical Fatalities in the Home 1974-75" (page 8), copies of which were placed in the Library in December.'

Mr Hoyle asked what steps were being taken to ensure that people, particularly elderly persons, were aware of the dangers arising from the misuse of electric blankets.

Mr Fraser said: 'The Electric Blankets (Safety) Regulations 1971 include provisions which require electric blankets to be marked with warnings against misuse, such as switching on the blanket when it is wet, or using over-blankets or under-blankets otherwise than as intended. Similar safety labelling regarding appropriate use is required on the box or container of an individually-packed electric blanket.

'My department also promotes publicity in the form of four filler films which are shown on television in breaks between programmes, and has made radio tapes for the use of local radio stations. We keep in close touch with safety organisations such as the Royal Society for the Prevention of Accidents and are always ready to assist the media with advice and information on electric blanket safety.'

Tuesday, 15 February

Secretary of State for Industry's visit to Leyland's Longbridge works

Mr J. W. Rooker (Birmingham, Perry Barr) asked the Secretary of State for Industry for a statement on his recent visit to the Longbridge Works of British Leyland.

Mr Varley replied: 'On 11 February Mr Alex Park, Mr Jack Jones, Mr Hugh Scanlon and I – as members of the Motor Industry Tripartite Group – met representatives of the Leyland Cars management and work-force at Longbridge. During the meeting I emphasised the assistance which the government had provided to the motor industry, particularly for investment in British Leyland, but stressed the critical position in which the industry stood. I said the government would take account of the views expressed about the effects of the present pay policy and that a wages and prices explosion must be avoided. We stressed that the success of the industry – to which we were all pledged – depended on increasing levels of production and on positive action being taken to achieve this by all those present and by the people they represented. We asked for their urgent suggestions on how efficiency, investment and quality could be improved, how greater continuity of production could be achieved through a reduction in the excessively high level of stoppages and how better use could be made of the participation machinery.

'The management and union representatives present agreed that there was need to consider urgently what improvements could be made in all these areas. I asked them to make their proposals for action known to the Tripartite Group as soon as possible.'

Report on the management of British industry

Robin Corbett (Hemel Hempstead) asked 'To which bodies has the report on the management of British industry been circulated?'

Mr Huckfield answered: 'A provisional document prepared by officials on certain aspects of management has been shown on a personal basis to a number of individuals, including industrialists, trade unionists and educationalists who because of their knowledge and experience of the subject are well placed to make informed comments. In the light of their responses I and my rt hon friends will be considering what further action to take.'

Thames Estuary

Paul Channon (Southend West) asked if the Secretary of State for Trade would extend the area of partially smooth water limits applicable to the Thames Estuary to the line from Orford Ness to the North Foreland.

'Smooth and partially smooth waters are designated in order to ensure the safety of small craft, and those on board, which normally ply within the defined limits,' said Mr Clinton Davis. 'A recent study of the Thames Estuary, which included the analysis of both meteorological and oceanographic data, concluded that no extension could be made to the present area of partially smooth water limits consistent with the safety considerations.'

Safety precautions at Windscale

Mr Hoyle asked: 'What steps have been taken to ensure that safety precautions are being maintained at Windscale during the present industrial dispute?'

Anthony Wedgwood Benn, Secretary of State for Energy, answered that all chemical processing operations at British Nuclear Fuels Ltd's (BNFL) Windscale Works had been shut down. Plant required for safety purposes, including one reactor being run at reduced power to provide essential electricity and steam, was being operated by BNFL's site management. 'I am advised that the Nuclear Installations Inspectorate, who are continuing their inspections at the site, are satisfied that the required safety standards are being maintained,' he said.

Mr Hoyle also asked about steps to increase health checks in the light of the National Radiological Protection Board report that workers at Windscale may be more prone to contact malignant diseases of the bone marrow, and if any survey would be made of workers retired from Windscale to see if they have been subject more than the average citizen to malignant diseases of the bone marrow.

Mr Benn answered: 'I am advised that the National Radiological Protection Board report indicates that there are no significant differences between the death rates, from malignant diseases of the bone marrow or from cancer generally of male radiation workers at Windscale and those of the general male population of England and Wales, and that no increase in the very full health checks already undertaken is therefore called for.

'Full records of Windscale workers and pensioners who have died from such diseases are available, and summaries have already been published. A pilot study is now in progress to establish whether it is feasible to extend these statistics to cover all who worked at Windscale at some time but moved on to other jobs. If a method is found to produce reliable results the comprehensive statistics will be published in due course.'

Wednesday, 16 February

Canadian accountancy qualifications

John Cope (South Gloucestershire) asked: 'Will the Secretary of State for Trade withdraw recognition of Canadian accountancy qualifications for the audit of the accounts of British companies, if the Canadian Government proceeds with its proposal to ban British and other foreign accountants?'

Mr Clinton Davis replied: 'We understand that a change in Canadian requirements is no longer under active consideration, but we shall keep a close watch on developments in that country which might affect British accountants.'

Thursday, 17 February

National Shipbuilders and Repairers

'Under which powers does the Secretary of State for Industry propose to establish and finance National Shipbuilders and Repairers Ltd?' asked Mr Grylls.

Mr Huckfield replied: 'The company will be incorporated under the Companies Acts 1948-67. It will assist my rt hon friend the Secretary of State in carrying out his functions under part II of the Industry Act 1972; for that purpose it will be financed under the powers in section 17 of that act. My rt hon friend will seek authority under the Appropriation Act for any other activities that he may wish the company to undertake.'

Incentives for skilled labour

Mr Grylls asked how many of the sector working parties mentioned lack of incentives for skilled labour, and a shortage of skilled manpower as being problems.

Mr Williams said: 'Sixteen sector working parties have mentioned incentives in relation to skilled manpower or productivity. The government has made clear that the question of incentives and rewards for responsibility will be taken into account, along with other factors, in considering pay arrangements for the period after next July. Twenty-five sector working parties have mentioned shortages of skilled manpower, mainly prospective in anticipation of economic expansion. The responsibility for obtaining suitable manpower rests primarily with industry, but the government is asking the working parties concerned to identify skill shortages as specifically as possible in order to see whether further action by the various bodies operating in this field is necessary. Further information is available in the paper "Industrial Strategy: Progress by the Sector Working Parties," which was placed in the Library on 3 February.'

Assistance to industry

Dafydd Wigley (Caernarvon) asked for details of the assistance offered under the industry scheme and the accelerated projects scheme under section 8 of the Industry Act 1972 in England, Scotland and Wales, respectively, showing the project size, number of offers made, assistance given and project costs.

Mr Williams gave the information as follows:

	No. of offers	Assistance offered £ million	Associated project costs £ million
Industry schemes			
England	435	42.1	198.0
Scotland	60	6.1	34.9
Wales	12	0.3	1.9
Total	507	48.5	234.9
Accelerated projects scheme			
England	111	79.5	590.5
Scotland	6	2.0	33.5
Wales	2	2.5	16.0
Total	119	84.0	640.0

Monopolies Commission report on shipping companies

Mr Rooker asked: 'What progress has been made in implementing the report of the Monopolies and Mergers Commission on the existing and proposed mergers involving Eurocanadian Shipholding Ltd, Furness Withy and Co Ltd, and Manchester Liners Ltd?'

Mr Fraser answered: 'As a result of consultations held by the Director General of Fair Trading, undertakings acceptable to my rt hon friend have been given to him on behalf of Eurocanadian Shipholdings Ltd that Eurocanadian Shipholdings Ltd:

1 will refrain from increasing their present holdings in Furness Withy and Co Ltd by acquiring any further shares or interests in any shares of that company;
2 will refrain from increasing their present holdings in Manchester Liners Ltd by acquiring any further shares or interests in shares of that company;
3 will restrict the exercise of voting rights arising by virtue of their shareholdings in Furness Withy and Co Ltd to 10 per cent of the voting rights arising in respect of the ordinary share capital of that company;
4 will, within three years, reduce their holdings in ordinary shares in Furness Withy and Co Ltd to not more than 10 per cent of the issued ordinary share capital of that company.

'Particulars of these undertakings have been furnished to the Director General in order that he may keep under review their performance.'

Aviation security expenditure

Mr McCrindle asked if the Secretary of State for Trade was planning to introduce legislation requiring airlines and tour companies to make a payment in respect of airport security.

Mr Clinton Davis replied: 'As part of its proposals to reduce public expenditure, the government has decided in principle that the burden of aviation security expenditure should be transferred from the taxpayer to the industry as from 1 April 1978. Consultations between the department and the industry including the airlines, the airports authorities, the trade unions and the Civil Aviation Authority are currently taking place about the methods of implementing this policy. Legislation may be required.' (*See also page 483*)

Invoice price display of exported goods

Jack Ashley (Stoke on Trent South) asked for a list of the countries which require British exporters to display on invoices of those exports the fair home market value of the goods alongside the invoice price.

Mr Dell listed the following countries:

Botswana	Papua New Guinea
Canada	Philippines
Ethiopia	South Africa
Lesotho	Swaziland
Mexico	USA
Namibia	Western Samoa
New Zealand	

and certain island territories in the South Pacific having links with Australia, New Zealand or the UK.

Friday, 18 February

European shipbuilding policy

Mr R. C. Mitchell (Southampton, Itchen) asked if the Secretary of State for Industry would have consultations with his counterparts in the EEC with a view to drawing up a European shipbuilding policy to meet competition from Japan and South Korea.

'The European community is already discussing such a policy, both in the Council of Ministers and in meetings of experts from member states,' said Mr Huckfield. 'My hon friend, the Minister of State, is also having urgent discussions with his colleagues in member states on this difficult problem.'

NEB and the industrial strategy

Mr Grylls asked for an explanation of the role of the National Enterprise Board in the last stage of the industrial strategy agreed at the Meeting of the National Economic Development Council on 2 February; and what action the NEB would take over the five priority sectors.

Mr Huckfield asnwered: 'The council agreed that the NEB had a particularly valuable role to play in carrying forward the industrial strategy. Proposals for the NEB's action on the priority sectors will be considered by its board.'

Metrication

Mrs Gwyneth Dunwoody (Crewe) asked: 'Is the Secretary of State for Prices and Consumer Protection satisfied that the symbol kg/cm² can easily be found on tyre pressure gauges in normal use in the United Kingdom?'

'Most tyre pressure gauges are at present marked in pounds/square inch, though gauges indicating kg/cm² also are not uncommon,' said Mr Fraser. 'From 1 January 1980 new equipment should be marked in either the pascal or the bar, both of which units appear in the EEC Units of Measurement Directive but upon which a final choice has not yet been made in this country. Existing equipment will be legally allowed to remain in use.'

'Is the Secretary of State satisfied that the new metric or SI units are well enough known internationally, and that the pascal is a recognised unit?' asked Mrs Dunwoody.

Mr Fraser replied: 'The International System (SI) of Units was first adopted by the General Conference of Weights and Measures in 1960 and most of the units are very well known internationally. Some of the unit names which have more recently been incorporated into the system are not yet in widespread use and are still relatively unfamiliar. The pascal is in this category.'

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FREIGHTING INTO EUROPE

Freighting into Europe is easier now than it has ever been – and is likely to be even easier in the future. Exporters and manufacturers wishing to establish a market in Europe now have a wide variety of modes of transport at their service; the capacity of the transport services has expanded greatly over the past 20 years, and is continuing to expand.

Road vehicle traffic has expanded at the greatest rate and now dominates all other modes. Over the five years since 1971 the number of TIR carnets and community transit permits issued has increased by 32 per cent, a trend which began in the early 1950s with the advent of roll-on-roll-off ferries. Port facilities for ro-ro ferries are relatively cheap to install and the number of ferry routes to the continent have increased from nine to 25 over the past seven years, thus giving shippers a number of choices of route.

This expansion has been made possible, first by the TIR convention which allowed goods vehicles to pass through frontiers unimpeded and later by the EEC's community transit system. The latter system is cheaper than the TIR requirement and has eased considerably the movement of goods to the continent.

While France, West Germany, Italy and Austria regulate the number of vehicle movements into and through their countries by permit quotas, other countries supply permits on demand to any holder of an operator's licence. Where restrictions do exist, road hauliers are able to make co-operative arrangements with hauliers in the country concerned or use the road-rail 'piggy back' system whereby the complete loaded vehicle is transported by rail.

Road vehicles are divided more or less equally between 'own account' – vehicles owned or on contract hire by a manufacturer – and hauliers who will transport anyone's goods. Alternatives are the traditional rail and sea routes who will freight 'groupage' – that is collecting goods from a number of sources until a wagon, ship or container is full. High-value goods are being increasingly freighted by one of a number of air ferry companies.

Choosing the most appropriate mode of freighting into Europe is no problem. Any one of many freight forwarding agents will not only select the best mode of transportation and arrange the freighting of goods to the desired destination, but deal with all the paperwork as well. Should a manufacturer choose to use his own transport, with the need for speed and security in mind, the Freight Transport Association provides a comprehensive information service for members on the transporting of goods into or through every country in Europe.

For the future, the transport of goods into and through European countries will become simpler. The UK government has obtained the EEC commission's agreement in principle to a liberalisation of transport policies among the nine member countries. A major role has been played by the Freight Transport Association in representing the transport interest of the UK's industry and commerce both nationally and within the EEC. Transport in the UK has benefitted since the 1960s from the most liberal transport policy in Europe. This provides a wide choice of mode of transport and carriers, subject only to vehicle and driver safety regulations and market prices, free of the restrictions imposed by most European countries.

On the technical side there is increasing co-operation between European rail services, particularly as regards the movement of wagons between countries. Recent years have seen the development of transport facilities designed to cater for special products such as fashion clothes being carried on hangers, and chinaware.

A greater integration of modes of transport into the manufacture, distribution and retailing of goods is expected to develop over the next few years. There is a tendency now for transport services to take on a mechanical handling role between the manufacturer and the supermarket. Already a number of major manufacturers such as Unilever and Marks and Spencer are utilising transport systems in this way.

Ro-ro firm invests £20m to expand Scandinavian services

EWL, the Hull-based transport division of Ellerman Lines Ltd, has placed orders for two ro-ro vessels of a new design for its cargo services linking the UK with Norway and Sweden.

These specialised 18 knot vessels, each with a deadweight capacity of 7,500 tons, will be built at the Teesside yard of Smith's Dock Co Ltd, Middlesbrough, a member of the Swan Hunter group.

Launching is scheduled for November. When they are delivered, in March and September of 1978, they will replace EWL's smaller ro-ro vessels *Destro* and *Domino* on their scheduled services between Hull and Norway and Sweden. They will be suitable for worldwide trading, each with a capacity of 1,500 metres length and capable of carrying 125 × 12m trailers or 460 TEUs.

EWL has recently lengthened mv *Hero* to increase her cargo capacity by about 40 per cent. This vessel, is jointly owned and operated by DFDS and at present trades between east coast UK ports and Esbjerg. This contract and the new orders mean a total investment of about £20 million.

Contact points

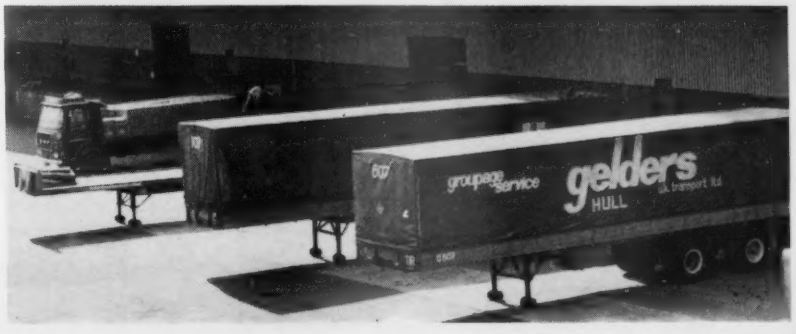
Freight Transport Association
Hermes House, St John's Road,
Tunbridge Wells, Kent TN4 9UZ
(0892) 26171

British Road Federation Ltd
26 Manchester Square, London W1
01-935 0221

British Ports Association
3 Queen Street, London WC1
01-278 6995

British Transport Docks Board
Melbury House, Melbury Terrace,
London NW1
01-486 6621

Grouping individual loads into lorryloads, or into container-loads, has revolutionised freighting in the past decade. A wide variety of services is available.



FREIGHTING INTO EUROPE

Take-off year for the space liner

European trade is among the more significant items on the 1977 agenda for Freightliners Ltd. The national road-rail container transport company sees the prospect of three routes for expansion.

There is the likelihood of a bigger volume of export/import traffic with the forecast of increased trade. European railways are reviving their interest in containerisation over the short sea routes. There is the attraction of the growth in the market that has gone to the roll-on, roll-off services.

All in a year in which, to quote Freightliners' managing director Cyril Bleasdale, 'the company's success story could well be written.'

Mr Bleasdale described recently the successes of 1976 – a record trading profit, record traffic – as 'a platform for take off.' Nineteen seventy seven, he said, held the prospect of 'a journey to that star which will provide financial independence for reinvestment in our business through adequate profits.'

Against the background of the first four weeks he could well be right. Already the figures are 10 per cent higher than for the same period last year.

Freightliners began operations less than 10 years ago though the system was originally started in 1965 under the title 'Liner Trains'. The aim was to stem the loss of business from railways to the road.

Briefly, Freightliners provides containers for customers to load their goods into as well as carrying on its trains containers belonging to other organisations. There is a fleet of 8,000 containers. Basically there are few goods which are not compatible.

In 1965 the first freightliner container service covered the London to Glasgow route, a distance of 640km (398 miles). Today there are 180 services a day. The average link is about 200 miles. The overall network consists of 24 terminals owned by the company, and nine, including six port terminals, owned by other organisations. Two more port terminals, at Ipswich and Poole, both owned by port authorities and both with a relevance to European trade, fit into the network this year.

The principles of the Freightliner system are that the trains run in fixed formation between terminals to an agreed timetable in the same way as a passenger train. The trains are tailor-made to carry only containers. The transfer from road to rail – or ship – is carried out at specially built terminals. The method of transfer is by means of 'portal' type cranes which can operate over the whole length of the specially laid rail sidings.

'Smooth, safe and fast', is Freightliners' description of the operation.

The company is under the control of the National Freight Corporation. The shareholding is 51 per cent NFC, 49 per cent British Rail.

To complete the integrated transport package, there is a road fleet of some 600 heavy goods tractors and more than 1,600 skeletal trailers, to provide a complete door-to-door capability. But Freightliners is also happy to operate just the trunk link with its trains, with the customer doing his own 'fetch-and-carry' to and from the terminal.

The company serves all the container ports operating deep sea shipping services. For Europe it tends to operate mainly through the east but also some of the south coast ports.

'The European side of the business certainly has some interesting prospects for 1977', says Stan Judd, Freightliners' European services controller. 'At present it accounts for about an eighth of our total traffic. It is satisfactory in financial terms, but containers now have only a small share of the European export/import trade. We are delighted to see that this is on the increase, since it gives us an access to business that can be built into our service.

'There has been a move on the continent to an overall approach to intercontinental container operating with establishment of the multi-national Intercontainer company, and we are members of that organisation. But the European railways have been mainly interested until now in the deep seas container business. They still have a considerable interest in that. It represents about 60 per cent of their container traffic. But there are signs now of them becoming more interested in getting the short sea trade into containers. There are difficulties still. The short haul journeys on the continent for instance that are just not a paying proposition for the European railways. We are beginning to have a look at that and it may well be that we could soon have container train services in this country backed up by road haulage on the other side. We have already had talks with some road haulage operators about this.

'There is also the longer distance traffic to be loooked at. The prospect of opening services to Tehran and perhaps elsewhere in the Middle East through container trains made up in the UK.'

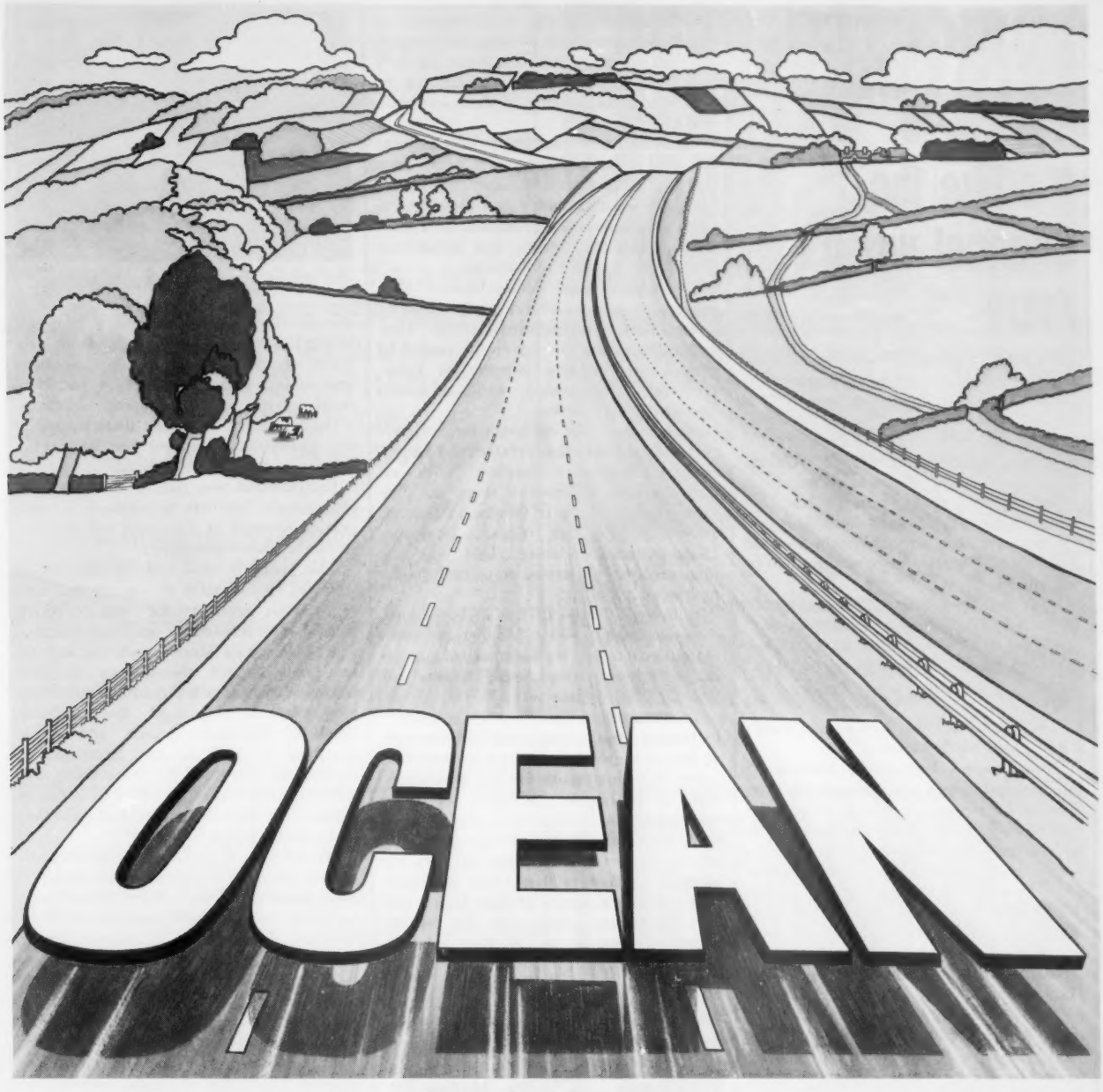
Between home and overseas, Freightliners' traffic is roughly 50-50, with the maritime activities again fairly evenly split between deep sea, European and Irish traffic.

The company is 'big in the food and drinks industries', according to communications manager John Meara. 'We carry a lot of steel and other metals, building materials, oils, chemicals, car parts and accessories, paper products and we do a lot in what could be described as parcels traffic, providing a link between depots for people like National Carriers. As far as deep sea exports goes we carry just about anything.'

The chief advantages claimed for the Freightliner system can be summarised as speed – Freightliner trains can run at 75 mph and travel up to 500 miles overnight – regularity and reliability, their trains run on a strictly timetable daily basis, size – they are a nationwide business with the backing of nationwide resources, flexibility – a complete door-to-door service, or just the trunk line in a total, movement, security and freedom from damage – there is no intermediate shunting and the contents are known to only a few people, and simplicity. Documentation is minimal.

Freightliners reports that its competitiveness with other forms of freight transport has increased tremendously in recent years. Looking to the future managing director Cyril Bleasdale says 'The rate of growth of the business will naturally depend to an extent not only on the general economic position of the country and the rate of growth of the gross national product in real money terms, but also on this relative competitiveness with other forms of transport. There are, in addition, other factors – rapidly spiralling costs, cash flow problems, and the likely reduction of drivers' hours and mileages – which will undoubtedly cause companies to question the continued use of their own road vehicle fleets.

'But Freightliners Ltd is approaching the next few years with confidence. There is no doubt that we will figure prominently in any investigation by producers of their transport and distribution systems.'



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FREIGHTING INTO EUROPE

It's like the Channel wasn't there

Ferry train freight to the continent this year, says British Rail, should be up by more than half on 1976. The total then was 300,000 tonnes.

There is even 'a real possibility' of a 100 per cent boost, according to David Williams, BR's export freight marketing manager.

Journey times to the continent have been reduced. Extra trains and faster shipping services have been added. Within the next few months 250 new, larger wagons will be introduced.

With the development of the new port, Dunkerque West, speeding connection with fast European freight trains, days can now be saved compared with previous transit times.

'Hence our slogan – "Speed your exports by ferry train – it's like the Channel wasn't there",' said Mr Williams.

'Now, wagons leaving the Manchester international freight terminal on a Tuesday evening, for example, will be in Munich for start of work Friday. A firm in south Wales with a customer in Basle can despatch a wagon or wagons after business on Tuesday again to arrive for start of work on Friday. That's at least two days faster than before.'

All the main industrial centres in Britain now have fast, scheduled overnight freight services linked to the continent by way of Harwich and Dover. In all 24 trains a night. In addition to the Dover/Dunkirk route – the most important with up to six journeys a day – there are also train-carrying ferries to Dunkirk and Zeebrugge from Harwich.

From the originating railhead or siding to the continental port, the operation is monitored by BR's Total Operations Processing System (TOPS) which keeps a 'real time' computer check on progress to ensure that transit goes smoothly. From Dunkirk and Zeebrugge progress is monitored by wagon control systems of European railways.

British Rail ferry train.

Traffic already travelling to the continent by ferry trains includes waste paper from London to Switzerland, scientific instruments to West Germany and diesel generators to Bulgaria from Didcot, steel from south Wales to Germany and refrigerator parts from Bradford to Romania.

There are 8,000 railway-owned ferry wagons as well as considerable privately-owned fleets, for continental traffic. They range from vans for up to 25 tonnes to special steel carriers, hoppers for grain, chemicals, refrigerated and air-cooled wagons for perishables.

The route to the continent for Sealink's commercial road vehicle traffic is by way of Harwich, Dover, Folkestone, Newhaven and Weymouth. Between them the five ports service Hook of Holland, Ostend, Zeebrugge, Dunkirk, Calais, Boulogne, Dieppe, and Cherbourg. This year the number of CRVs carried could well pass a quarter of a million.

In five years, from 1971 to 1976, the total has gone from 55,000 to 185,000 and there is additional freight traffic by way of imports and exports of new cars, vans. The total last year for those vehicles was 177,000.

To meet this increased – and continually increasing – traffic, improved facilities such as bigger standage areas and more mechanical handling equipment has been provided at Folkestone. Provision for more traffic through Newhaven is also planned while extra shipping capacity is coming into service with the conversion of two car ferries. The *Holyhead Ferry I* and the *Dover*, under the new names of *Earl Leofric* and *Earl Siward* respectively, will this year be accommodating up to 26 40-ft vehicles. Their previous load was eight.

Confidence in the future – £3m worth

Ferrymasters, the P & O Unit Loads company providing international road haulage services, has undertaken a £3 million investment commitment to meet increased levels of traffic predicted for this year.

New tractors and trailers, supplementing an existing fleet of 2,000 load carrying units, account for more than half the development programme – the investment for France alone is for haulage equipment worth £330,000. New freight centres at Antwerp and Gothenburg have accounted for the rest – the Antwerp centre represents a £500,000 warehouse and distribution service for UK exporters through Belgium and key trading areas of the EEC.

'Expenditure that underlines Ferrymasters' positive view of the investment and expansion opportunities in Europe,' says P & O Unit Loads' general manager Ted Percival.

In just over 10 years Ferrymasters has established an international capability with a network of depots and offices through Western Europe, Scandinavia and the UK. There are now 28 such locations, at ports and inland, providing back-up and personal services in 10 European countries. They are staffed by expert local nationals, fully conversant with local practice and increasingly complex regulations.

One of Ferrymasters' 12m tilt-trailers.

Ferrymasters was one of the first UK international hauliers to establish a supporting network of European and Scandinavian affiliated companies.

This policy of local national representatives is 'fundamental to our overall and well-proven strategy for cost effective control of international load movements,' says Mr Percival. 'More exports and imports are being carried door-to-door by road transport than ever before. With associated companies abroad, and that includes Belgium, Holland, France and West Germany as well as our Scandinavian operations, we provide immediate and effective local control of traffic as it moves between the literally thousands of collection and delivery points we serve.'

Sixteen UK, West European and Scandinavian ports are included in Ferrymasters' main channel crossings. There is particular use of the east and south coast ports of Hull, Grimsby, Immingham, Felixstowe, Dover and Southampton.

The total service includes the selection and positioning of the right equipment for an individual customers' needs, the right shipping services and linked road routes, the right customs procedures and clearance, detailed knowledge of tariffs, correct and speedy documentation.

Over the past 10 years the company's annual traffic has gone from 3,000 unit loads in 1966 to 25,000 unit loads in 1971 and on to a record of over 57,000 unit loads last year (25 per cent Scandinavia, 75 per cent Western Europe and beyond).

In terms of distance covered it means 1,440,000km (90,000 miles) in 1966 to 27,360,000km (17,100,000 miles) in 1976; in haulage transport equipment from 100 trailers, 10 tractors, 1966 to 2,000 trailers, 320 tractors, 1977; in capital employed from £250,000, 1966 to £7 million last year. 'A continuing investment in expansion to give maximum reliability and service,' says Mr Percival.

'Experience has proved that exporters do need a strong international haulage capability, to provide the depth of service necessary to support their own expansion of trade in Western Europe and Scandinavia.

'Ferrymasters' plans for 1977 are on that basis.'

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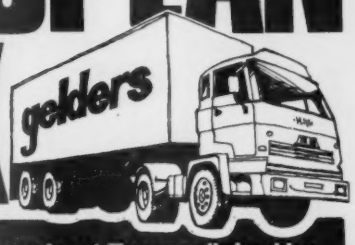
EUROPEAN LINK



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FREIGHTING INTO EUROPE

In touch with the world

Lep Transport is at the hub of the Lep group of companies – an international network of freighting resources and expertise. In the UK the group is comprised of seven major companies offering a multiplicity of services against a background of more than 50 years of operation and development in the forwarding business in Europe.

'Essentially a freight forwarding organisation complemented by a wide range of ancillary services,' is Lep's own description of its activities.

In world wide terms it claims also to be among the largest of the groups of companies of its type. The Lep group has some 70 offices in the UK; abroad, almost another 100, with associated companies or agents ensuring Lep's representation in nearly every nation.

The 'European connection' includes servicing practically every major destination – port, airport, town – in the common market.

'The strength of an organisation like ours lies in its breadth of facility, flexibility and contact throughout the world,' says Mike Reed, Lep's national marketing manager.

'Trends change. A world wide network means we can identify these changes – quickly and act accordingly. It may be a change of market, a new line of traffic, a call for a particular type of service. We can put our experience and guidance at the disposal of the customer, gauge the type of transport and the traffic routes that are wanted. We are not committed nor tied to any specific method of transport and can therefore bring the broadest view to any freighting problem.'

In Europe, Lep's involvement is geared to an ever-increasing operation since Britain joined the common market.

'Substantial' is how Lep's London continental exports manager, Roger Mantell, describes the increased trade handled since 1973.

Company groupage services to the continent are now up to four or five departures a week for some destinations. The main method of transport for these groupage services at present is road trailer with the same driver taking the load from the UK to the destination point on the continent.

'This offers increased security and the driver soon becomes something of an expert on the various operating problems of his particular route,' says Mr Mantell. 'However we are still involved with a substantial amount of rail ferry traffic.'

Lep's claim is that by whatever appropriate mode of transport, land, sea or air – whatever type of product, their facilities are able to provide coverage to almost any part of the world.

Lep depots handle all aspects of export packing, with mobile units enabling packing to be completed on site at a manufacturer's own premises. Warehousing facilities, local collection and delivery services and a machinery installation and removal service are also offered.

Lep Air claims to be a pioneer of international air freight forwarding. The company is stationed at every main UK airport and industrial centre and in November 1976 operations were expanded with the opening of a new export depot near Gatwick. More recently Lep Air moved its headquarters offices from Chiswick to new and larger premises at Stanwell, on the edge of London's Heathrow airport.

Lep Chartering arranges the air and surface movement of specialised cargoes whilst the Group's Insurance Brokers provide cover in all classes of insurance. Lep Travel, Lep Bloodstock and Lep Packing complete the main group services, although a separate division of Lep Transport – Lep oil services division – specifically handles the specialist freight forwarding requirements of the oil industry.

'Obviously we cover just about every aspect of freight forwarding and allied services,' says Mr Reed.

'We meet the clients travel requirements in getting to his buyer abroad and we can then take over the transport, packing and insurance arrangements for whatever he has sold.'

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If your business is with Europe then your business should be in Basildon...

When trading with the Common Market, it makes sense to be located as close to the Continent as possible without sacrificing good communications at home.

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Basildon Development Corporation,
Gifford House, Basildon, Essex, SS13 2EX.
(Or Telephone Basildon (0268) 553261.
Answer Service after 5.15 p.m.
Basildon 553377)

BASILDON MEANS BUSINESS

ENCIRCLE TI 398 ON PAGE 543 FOR FURTHER INFORMATION

FREIGHTING INTO EUROPE

The passenger, cargo mix – recipe for the specialised operator

Take 2,000 kilos of hatching eggs from Buckinghamshire.

Add 20 packages of electronic circuit gear from Luton, a dozen rolls of carpet from Scotland.

Mix with 16 passengers bound for home, business and holiday. Load, at Southend airport, into a turbo-jet Dart Herald. Offload, at Calais, Le Touquet, Rotterdam, Ostend or Basle. Time: 35 minutes to two-and-a-half hours according to distance. The mix can be easily varied – for passengers or freight.

For British Air Ferries, now approaching its tenth year as an independent airfreight operator, the recipe is served at least a dozen times a day; perhaps twice as many when the summer season is here.

The successor to the pioneering car ferry airlines, Silver City Airways and Channel Air Bridge, British Air Ferries carries a wide variety of cargo through its regular daily flights to Europe's leading markets. The company rates its scheduled services as 'particularly competitive' for consignments of up to 2,000 kilos, 'tailor made' for urgent high-value goods. By way of back-up it operates a 24-hour short-haul charter service. It has also a sister company, the Stansted-based carrier Transmeridian Air Cargo specialising in long-haul all-cargo charter.

Lancastrians, DC-3s, Bristol Freighters and latterly the DC-4 Carvair adaptation have, in the main, set the quality of BAF's service since Silver City/Channel Air Bridge began operating 30 years ago. Changing circumstances have meant new developments in company operations.

In the eight years 1967-76 the number of cars ferried annually dropped from 72,503 to 5,450. By 1975 vehicles accounted for less than 5 per cent of total traffic. Last year the company decided to cut the car ferry altogether.

The Carvair, basically an American aircraft – and that meant that any spares that were wanted had to come from America – was becoming uneconomical.

BAF decided to go for a more sophisticated passenger-cargo aircraft. Their choice, the Handley Page Dart Herald will shortly provide the whole of the BAF fleet. BAF finds it offers flexibility, passenger appeal with a reasonable level of freight movement, quicker flying times, less cost. While accommodating only a more packaged, less bulky, type of cargo it enables the company also to develop more effectively its role as a joint freight/passenger operator. The comparative ease with which the passenger-freight ratio can be changed means differing load requirements over the same journey can be met by the same plane. A full cargo load for an outgoing trip might well be replaced by an all-passenger service on the return.

Basically BAF offers a 24-hour service. Given adequate notice the company accepts small items – that is by way of a maximum weight of 400 kilos and measurement of 2 ft 10 in by 3 ft 6 in up to an hour before take off. The import freight transit shed at Southend airport is geared to speedy clearance of freight. There is also the additional facility of a cold storage room.

For freight bound traffic for Antwerp, Dusseldorf, Brussels, Lille or Paris, BAF's air-road networks provide a distribution service at rates less than direct airfreight, and door-to-door transit at times as short as eight hours.

As an added bonus, shippers and forwarders are kept informed of the movement of cargo through the company's customer liaison service. This offers up-to-the minute telephone or telex reports on exact departure, destination arrival time, customs clearance.

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European community news

Ministers approve research programme for footwear

EEC ministers have approved a proposal submitted by the commission for an indirect action technological research programme for the footwear industry.

The programme, which was approved on 14 February, is to be implemented by the letting of contracts and will run for four years from 1 January 1977 with a maximum contribution from the community of 235,000 units of account. This sum will be augmented by the footwear industry to bring the total programme budget up to 505,000 units of account.

The programme is split into two projects concerned with the manufacture of footwear uppers. The first project concentrates on the rational use of upper materials, involving savings in raw materials, increased flexibility of production in accordance with customer requirements, improvements in places of work and development of technology for producing new machines and systems of adjustment. The second project is aimed at increasing productivity, reducing production costs and improving working conditions by adapting upper production techniques to the rest of the shoe manufacturing process.

It is anticipated that the bulk of the work will be carried out by footwear research institutions in Belgium, France, Germany, Holland and the UK in co-operation with up to 150 footwear manufacturers in these countries. Subject to the placing and acceptance of contracts, the Shoe and Allied Trades Research Association, (SATRA), of Kettering, Northants, will be the UK institution involved in the programme.

Further inquiries should be addressed to Dr Goldstone, Department of Industry, tel. 01-211 3450.

Fisheries conservation regulation agreed

At their meeting on 14 and 15 February, EEC agriculture ministers agreed on a community regulation on fisheries conservation, subject only to a reservation by the Danish minister. John Silkin, Minister of Agriculture, Fisheries and Food reported to the Commons on 16 February on the outcome of the meeting, where Gavin Strang, Parliamentary Secretary at the Ministry of Agriculture, Fisheries and Food, represented the UK.

It was vital, Mr Silkin said, that the UK retained the right to introduce national conservation measures in her sovereign waters as a safeguard, should the community fail to act effectively to preserve fish stocks. 'I am pleased that our right to do this has been restated in a community regulation'.

He explained that among other provisions of this regulation was a ban on North Sea herring fishing during March and April and a review of the situation thereafter; an immediate reduction in the allowable bycatch of protected species taken in industrial fishing from 25 per cent to 20 per cent, and a further reduction to 15 per cent at the beginning of 1978; agreement that the commission would make proposals on the rule governing mesh sizes by mid-March; and the establishment of a closed area for the fishing of Norway pout in the North Sea off the coast of Scotland from 21 February until 31 March. The latter would help to protect valuable stocks of immature white fish particularly haddock and whiting which were otherwise at risk.

UK concern at the earlier failure to reach agreement on an effective EEC conservation measure in this area led the government to place an order before the House creating a closed area for Norway pout fishing, Mr Silkin continued. The council had now agreed, subject to the withdrawal of the Danish reservation, to the boundaries proposed by the UK for the closed area. The commission would make proposals on the basis of scientific studies on further community action from 1 August.

The agreement on conservation represented a major advance since the community had accepted the need for the measures for which the UK had pressed; and the right to take national action if necessary, had been retained.

Mr Strang had again raised in the council the need for community action to correct the present unfair method of calculating pigmeat monetary compensatory amounts. 'The commission is considering this, and I hope that an early solution can be found,' Mr Silkin said.

Mr Gundelach had presented to the council the commission's proposals on agricultural prices for 1977/78. The commission proposed an average increase in community support prices in units of account of about 3 per cent and changes in green currencies, including a devaluation of the green pound which would reduce the sterling monetary compensatory amounts by 8 percentage points, Mr Silkin said.

Mr Strang had made the UK's position clear. It was essential that the settlement contributed to food price restraint and to the reduction of structural surpluses. 'We, therefore, found it hard to justify any price increase for products in structural surplus, in particular milk,' Mr Silkin pointed out.

On the green pound, Mr Strang had once again made clear the government's position that any change would only be made in the overall national interest. The discussion on the price proposals was very much a preliminary one and would be resumed at the next agriculture council on 14 and 15 March.

The council had also agreed to extend the suspension of the common customs tariff on new potatoes until 31 March and on maincrop until 15 April. This would help to keep down shop prices, Mr Silkin said.

New foreign affairs chairman

After five months as Minister of State at the Foreign and Commonwealth Office, David Owen was appointed Secretary of State for Foreign and Commonwealth Affairs on 21 February. He will take the chair at EEC foreign council meetings during the remaining four months of the UK presidency of the council of ministers.

More community news

Information on European community matters and about member states can often be found in other sections of *Trade and Industry*. For this week's additional news, turn to the following pages:

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New legislation

The legislation listed below has been published in the *Official Journal of the European Communities* as indicated against each item. The *Official Journal* is now published in English and copies should be obtained from HMSO. Information about the items listed, in so far as other member states' requirements are concerned, is available to British exporters from Department of Trade, Export Services and Promotions Division, Export House, 50 Ludgate Hill, London EC4M 7HU (tel. 01-248 5757, ext. 7174/482/408). Other information may be obtained from the reference point given at the end of the item.

Common agricultural policy

The texts of the following regulations and directives which affect the various agricultural sectors in the EEC have been published in the *Official Journal of the European Communities*.

Processed agricultural products. Regulation (EEC) 214/77 determining the amounts of the variable components, compensatory amounts and additional duties applicable from 1 February to 30 April 1977 inclusive, on the importation of goods covered by regulation (EEC) 1059/69 (*Official Journal* L29, 1 February 1977).

Oils, fats and oilseeds. Regulation (EEC) 231/77 amending regulation (EEC) 616/72 on detailed rules for the application of export refunds and levies on olive oil (*Official Journal* L31, 3 February 1977).

Regulation (EEC) 269/77 amending regulation (EEC) 1794/76 introducing a derogation for regulation (EEC) 155/71 on the production refund on olive oil used in the manufacture of certain preserved foods (*Official Journal* L39, 10 February 1977).

Wine. Regulation (EEC) 232/77 derogating from the dates laid down for acidification in respect of products of the 1976 wine harvest in the Italian regions of Zones C II and C III (*Official Journal* L31, 3 February 1977).

Feedingstuffs. Directive 77/101/EEC on the marketing of straight feedingstuffs (*Official Journal* L32, 3 February 1977).

Sugar. Regulation (EEC) 287/77 amending regulation (EEC) 2990/76 on special detailed rules for the application of the system of import and export licences for sugar (*Official Journal* L39, 10 February 1977).

Fish and fish products. Regulation (EEC) 287/77 amending the list of landing areas situated at a considerable distance from the main centre of consumption in the community and the conversion factors and withdrawal prices applicable in those areas to mackerel (*Official Journal* L40, 11 February 1977).

Harmonisation of legislation

Foodstuffs for particular nutritional uses. The *Official Journal of the European Communities* L26, 31 January 1977 contains the text of directive 77/94/EEC on the approximation of the laws of the member states relating to foodstuffs for particular nutritional uses.

Further information: Ministry of Agriculture, Fisheries and Food, Food Standards Division, Great Westminster House, Horseferry Road, London SW1P 2AE, tel. 01-216 6132.

Taximeters. The *Official Journal of the European Communities* L26, 31 January 1977 contains the text of directive 77/95/EEC on the approximation of the laws of the member states relating to taximeters.

Further information: Department of Prices and Consumer Protection, Weights and Measures Service, 26 Chapter Street, London SW1P 4NS, tel. 01-834 7032 ext. 138.

Pollution by gases from positive-ignition engines of motor vehicles. The *Official Journal of the European Communities* L32, 3 February 1977 contains the text of directive 77/102/EEC adapting to technical progress directive 70/220/EEC on the approximation of the laws of the member states relating to measures to be taken against air pollution by gases from positive-ignition engines of motor vehicles. Further information: Department of Environment, 2 Marsham Street, London SW1P 3EB, tel. 01-212 3114.

Customs regulations

Community transit. The *Official Journal of the European Communities* L38, 9 February 1977, contains the texts of the following regulations:

Regulation (EEC) 222/77 on community transit. This covers:
General provisions
Procedure for external community transit
Procedure for internal community transit
Special provisions applying to certain modes of transport
Special provisions applying to postal consignments
Special provisions applying to goods carried by travellers or contained in their luggage
Provisions relating to statistics
Provisions relating to the committee on community transit
Final provisions.

Regulation (EEC) 223/77 on provisions for the implementation of the community transit procedure and for certain simplifications of that procedure. This covers:
Provisions relating to forms and their use in community transit procedure
Provisions relating to guarantees
Use of community transit documents for implementing measures on the exportation of certain goods
Simplified procedures
Provisions relating to internal community transit document T2L
Final provisions
External community transit – declaration T1
External community transit – form T1 *bis* annexed to declaration T1
Internal community transit – declaration T2
Internal community transit – form T2 *bis* annexed to declaration T2
Loading list
External/internal community transit – control copy T No 5
Transit advice note
Receipt
Certificate of guarantee
Flat-rate guarantee voucher
Internal community transit document T2L
Yellow label
List of goods which when transported give rise to an increase in the flat-rate guarantee
List of airline companies exempt from community transit guarantee
Special stamp.

Further information: HM Customs and Excise, King's Beam House, Mark Lane, London EC3R 7HE, tel. 01-626 1515 ext. 2561/2263/2565.

Copies of the *Official Journal* L38, may be obtained from HMSO, price £1.10 plus postage.

EEC rules of competition

The *Official Journal of the European Communities* L.30 of 2 February 1977 contains the text of a commission decision dated 21 December 1976 relating to a proceeding under article 85 of the treaty of Rome.

77/100/EEC Gebrüder Junghans GmbH, manufacturers of all types of clocks and watches, a subsidiary of Karl Diehl KG (reference DGIV/5715) concerning a series of distribution agreements notified between 1963 and 1974 to the European commission. Gebrüder Junghans GmbH had established a uniform distribution system for the sale of its products in the common market sold under the trademarks Junghans and Diehl.

The commission considered that some of the conditions in the agreements relating to supplies and deliveries were restrictive. These no longer exist and the commission has decided to grant Gebrüder Junghans GmbH exemption under article 85(3) of the treaty for its standard distribution agreement. This shall apply until 31 December 1982.

Further information: Department of Prices and Consumer Protection, Fair Trading Division, 1 Victoria Street, London SW1H 0ET, tel. 01-215 5092.

The *Official Journal of the European Communities* L.39 of 10 February 1977 contains the text of a commission decision dated 21 December 1976 relating to a proceeding under article 85 of the treaty of Rome.

77/129/EEC Theal NV (Theal) (now Tepea BV)/Cecil E. Watts Ltd (Watts) (reference DGIV 28.812) concerning an oral agreement made on 8 September 1956 whereby Watts appointed Theal as exclusive distributor in the Netherlands for a series of products for cleaning and maintaining gramophone records. In connection with this appointment Theal was granted the exclusive right to use in the Netherlands the trade marks in respect of these products. On 24 January 1963 Theal notified to the commission the oral agreement but stated on the notification form that the agreement contained no restrictions on the freedom to trade with third parties, nor did it relate to the sharing of markets. Theal further stated that the agreement did not exclude free competition within or between member states. Additionally no mention was made of the exclusive trade mark rights granted to Theal in the Netherlands.

The commission found that the agreement, and a later export prohibition imposed by Watts on UK wholesalers, had as their object and effect the prevention, restriction and distortion of competition within the common market as, combined with the effect of national law relating to trade marks, they provided

Theal with the means of preventing parallel imports from the UK or other member states into the Netherlands, and constituted an infringement of article 85(1) of the treaty.

The commission rules that Tepea BV and Cecil E. Watts Ltd should bring the infringements to an end without delay, and imposed the following fines for the infringements of article 85(1): on Tepea BV a fine of 10,000 units of account and on Cecil E. Watts Ltd a fine of 10,000 units of account, and for incorrectly notifying the agreement Tepea BV was fined an additional 5,000 units of account.

Further information: Department of Prices and Consumer Protection, Fair Trading Division, 1 Victoria Street, London SW1H 0ET, tel. 01-215 5092.

End of the transitional periods for inward processing relief

Inward processing relief arrangements will be affected by the changes that will occur with the end of the transitional periods following the accession of the UK to the EEC. The terminal date for beef and veal goods will be in April at the end of the 1976/77 marketing year, for certain horticultural goods on 31 December 1977, and for most other goods on 30 June 1977.

As each terminal date is reached the common customs tariff will come into use for goods imported from third countries. At that time the community of nine will be treated as a single unit for customs duties purposes. The practical effect after the end of the transition is that goods will be able to pass, subject to the normal customs entry procedure and community transit documentation, from one member state to another without liability to customs duty. Export for inward processing relief purposes will mean export to a destination outside the community. If compensating products are diverted from the inward processing regime for community use, duty will become payable.

On each terminal date authorised traders may have relief goods on hand which were imported during the transitional period but whose compensating products will not be disposed of until after the terminal date. For such goods the transitional arrangements will be specially extended so that delivery of resultant compensating products to another member state will continue to be regarded as an export giving entitlement to inward processing relief. Details of the compensatory levy arrangements will be announced later.

Inquiries

Traders known to be involved will be advised of the changes by their local Customs and Excise office where inquiries for further information should be made.

Generalised tariff preference scheme: restoration of normal duties

In *Trade and Industry* of 13 August and 17 December 1976 general information was given about the generalised tariff preference scheme (GSP) for 1977. Details of the scheme can be found in the *Official Journal of the European Communities* L349, of 20 December 1976[1].

Under the GSP the restoration of normal duties (after the exhaustion of UK quota shares, the reaching of butoirs, UK maximum amounts, ceilings and inner ceilings) may occur at short notice. Importers wishing to be sure whether the preferences are still available should contact HM Customs and Excise at King's Beam House, Mark Lane, London EC3R 7HE, tel. 01-626 1515, ext. 2570. (Parts 10B and 11 of HM Customs tariff relate to GSP and tariff quota arrangements.)

It is intended to continue the practice of publishing in *Trade and Industry* a monthly summary based on the latest available information from HM Customs. However importers can always obtain more up-to-date information from HM Customs; even then of course no assurance can be given that the preferences will still be available when imported goods are cleared for home use; the normal rates of duty may have been restored in the meantime. HM Customs have stated that the position on the restoration of normal duties at 11 February is as follows:

[1] Copies of the *Official Journal* may now be obtained from any government bookshop or direct from HM Stationery Office, PO Box 569, London, SE1. (Present price, post included, £2.11.)

I Tariff quotas and special ceilings

Tariff heading	Description of goods	Customs quota reference*	Date UK quota share exhausted	Community butoir or where applicable UK maximum cumulative amount (m.a.) reached: On date	For goods from
29.23 DIII	Glutamic acid and its salts	1553	13.1.77		
ex 41.02 B	Bovine cattle leather, etc – Other, excluding leather not further prepared than tanned	1545	20.1.77		
42.02	Travel goods, etc				
A	Of artificial plastic sheeting	1588	9.2.77		
B	Of other materials	1596	14.1.77		
51.04	Woven fabrics of mmf, etc	3465		5.1.77ø (m.a.)	Colombia, South Korea
55.09	Other woven fabrics of cotton: Containing 85 per cent or more by weight of cotton:				
ex AI	Of a width of less than 85cm, unbleached	3686	5.1.77ø		
ex AII	Unbleached, of a width of:				
	– 85cm or more but not more than 115cm	3694	5.1.77ø		
	– more than 115cm but not more than 165cm	3708	5.1.77ø		
	– more than 165cm	3716	5.1.77ø	10.2.77	South Korea
	Other than unbleached	3724	5.1.77ø		
56.05 A	Yarn of mmf, etc – of synthetic textile fibres	3821		5.1.77ø (m.a.)	South Korea, Singapore
				22.1.77	South Korea
56.07 A	Woven fabrics of mmf, of synthetic textile fibres	3856	5.1.77ø		
58.10	Embroidery, in the piece, in strips, or in motifs	6488	31.1.77		
60.04	Under garments, knitted or crocheted, not elastic or rubberised	6682		29.1.77	South Korea
60.05	Outer garments and other articles, knitted or crocheted, not elastic or rubberised	6712		5.1.77ø (m.a.)	South Korea, Yugoslavia
				29.1.77	South Korea
61.01	Men's and boys' outer garments	6747		5.1.77ø (m.a.)	South Korea, Yugoslavia
				29.1.77	South Korea
61.02	Women's, girls' and infants outer garments	6763	5.1.77ø	29.1.77	South Korea
61.03	Men's and boys' under garments, etc	6798	5.1.77ø	22.1.77	South Korea
61.05	Handkerchiefs	6844	31.1.77		
62.02	Bed linen, table linen, etc	6909	5.1.77ø		
64.01	Footwear with outer soles and uppers of rubber or artificial plastic material	4479	5.1.77ø	29.1.77	Hong Kong
64.02 B	Footwear with outer soles of leather or composition leather, etc, with uppers other than of leather	4258	5.1.77ø	29.1.77	Hong Kong
85.10 B (S/C)	Portable electric battery and magneto lamps, etc – Other	4908		8.2.77	Hong Kong
85.15 AIII	Receivers, whether or not combined with a sound recorder or reproducer	4916	6.1.77	19.1.77	South Korea, Hong Kong
CIII	Parts of subheadings A and B – Other				
90.05 (S/C)	Refracting telescopes, etc	5016		22.1.77	South Korea
97.02 (S/C)	Dolls	5105		22.1.77	Hong Kong
97.03 (S/C)	Other toys	5172		1.2.77	Hong Kong

* See HM Customs tariff, part 11.
ø A proportional allocation was made to all claims received up to noon on this date.
S/C denotes special ceiling.

continued on page 510

EEC information

New guide published

The EEC Information Unit has published a new edition of *EEC – Your Questions Answered.* It contains much new material and will help all those needing to know how EEC policies and legislation can affect day-to-day business activities and forward planning.

Free copies are available from: EEC Information Unit, Department of Industry, 1 Victoria Street, London SW1H 0ET, 01-215 5377 or 3579

II Ceilings

Tariff heading	Description of goods	Date of restoration of duties: From all sources	Date of restoration of duties: From particular sources (inner ceilings)
ex 28.42 AII	Carbonates of sodium anhydrate		Romania 6.2.77
ex 29.35 Q	Melamine		South Korea 28.1.77
69.08	Glazed setts, flags and paving, etc		South Korea 18.1.77
82.09	Knives with cutting blades, etc		South Korea 28.1.77
82.14 A	Spoons, forks, fish-eaters, etc of stainless steel		South Korea 24.1.77

Inquiries about current availability of preferences may be made to HM Customs and Excise, Central Tariff Quota Registration Unit, King's Beam House, Mark Lane, London EC3R 7HE, tel. 01-626 1515, ext. 2570.

Concession on primary cells and batteries from Hong Kong reinstated

An EEC regulation published in the *Official Journal of the European Communities* L24, 28 January 1977, announced that duty was to be re-established on goods of tariff heading 85.03 originating in Hong Kong entered for home use with Customs authorities as from 31 January 1977.

A further EEC regulation published in the *Official Journal* L43, 15 February 1977 has repealed the previous regulation and the generalised system of preferences (GSP) concession has been reinstated with effect from 31 January 1977.

Claims for repayment of duty in respect of goods entered with HM Customs on or after 31 January should be made to the collector's office where the entry was presented, and should state:

1 Name of ship and date of report
2 Entry number and date

Claims must be accompanied by a GSP certificate if this has not already been submitted with the entry.

Inquiries about claims should be made to the Central Tariff Quota Unit, IC Division J, Branch 3, HM Customs and Excise, King's Beam House, Mark Lane, London EC3R 7HE, tel. 01-626 1515, ext. 2570.

Tariff quotas 1977 – exhaustions

HM Customs have stated that the United Kingdom's shares of the following EEC tariff quotas have been exhausted:

UK tariff heading	Description of goods	HM Customs serial no. (part 11 of the UK tariff)
38.08 A	Rosin including 'brais resineux'	1502
ex 73.02 C	Ferro-silicon	4509
ex 73.02 EI	Ferro-chromium: containing 0.1 per cent or less by weight of carbon and more than 30 per cent but not more than 90 per cent of chromium	4525
ex 77.01 AII	Unwrought magnesium containing 99.8 per cent or more by weight but less than 99.95 per cent by weight of pure magnesium	4959
78.01 AII	Unwrought lead (other than bullion lead)	4746
79.01 A	Unwrought zinc	4754

Inquiries about current tariff quota balances may be made to HM Customs and Excise, Central Tariff Quota Registration Unit, King's Beam House, Mark Lane, London EC3R 7HE, tel. 01-626 1515, ext. 2570.

A library for exporters

Foreign trade statistics and other economic statistics from almost every country in the world are available for reference in the Statistics and Market Intelligence Library at Export House, 50 Ludgate Hill, London EC4M 7HU. A modern well-equipped library of over 85,000 volumes, it has a reading room for visitors and provides a document-copying service. There are trade directories covering 150 countries, and an expanding collection of trade catalogues of overseas manufacturers. The library opens from 9 to 5.30, Mondays to Fridays (Tel. 01-248 5757 ext. 368 or Telex No. 886143).

EIB's UK operations are 38 per cent of total

Lending by the European Investment Bank in the UK rose to 417 million units of account (£259 million) in 1976. This represented 38.5 per cent of all operations within the community.

The improvement of energy supplies accounted for almost half of the total (£191.2 mua) with loans provided for extensions to the natural gas transmission system in Scotland, the north and south-west of England, construction of a pumped storage power station at Dinorwic in North Wales, product tion installations in the Beryl and Thistle oil fields in the North Sea and an oil pipeline from the Ninian oil field to the Sullom Voe petroleum harbour in the Shetlands.

Finance was also provided for important water supply schemes in the north and south-west of England, for improvements to telecommunications in Scotland and north-east England, and for several steel industry modernisation and expansion projects in Scotland, northern England and Wales.

To help to improve communications between the UK and other member countries the bank granted loans for enlargement of two hovercraft operating on the cross-channel Dover-Calais, Dover-Boulogne routes and for the introduction of a new car-passenger ferry on the Holyhead (Wales) – Dun Laoghaire (Ireland) service. It also provided finance for a high-technology railway project – the construction of three advanced passenger trains, capable of running at up to 250kph on existing track – which will improve links between Scotland, northern England and the south.

Overall, the EIB announced an increase in financing operations to a total of 1,273mua in presenting its preliminary figures for 1976. This compared with 1,006.5 mua in the previous year.

Selling in France

Selling to the French is the subject of a seminar to be held at the Centre for International Briefing, Farnham Castle, from 16 to 18 March. It is being organised in conjunction with the London Chamber of Commerce and Industry.

The guest of honour will be George Finlayson, commercial counsellor at the British embassy, Paris. Speakers will include Rupert Cornwell of the *Financial Times* discussing Anglo-French trade, Richard Bickers of Richard Bickers and Associates Ltd, who will present his personal experiences in marketing British products in France, and a French banker will give a paper on financial and legal aspects of trading with France.

Further information is available from the seminar secretary, the Centre for International Briefing, Farnham Castle, Farnham, Surrey GU9 0AG, tel (02513) 21194.

Finance ministers to concentrate on international issues

After taking the finance council chair for the first time on 14 February, Chancellor of the Exchequer Denis Healey said EEC finance ministers would concentrate on key international economic questions during the British presidency.

Mr Healey emphasised that it was important for the community to make a distinct European input into the intensive discussions which were bound to develop on a world scale once the new United States administration had crystallised its views.

He pointed out that steps were needed to avert the danger of world recession in 1978 without reviving inflation and that the adequacy of international liquidity must be considered. There was also the question of achieving better trade relationships between European countries in terms of generated deficits, he said.

Before drawing up an outline of their work schedule for the coming four months the finance ministers held an exchange of views on the economic situation in the community. The council also heard a statement by commissioner Christopher Tugendhat on the budgetary implications of the commission's proposals concerning agricultural prices and related measures for 1977/78.

Supplies directive: opportunities expected for UK

After a lengthy period of negotiation, the EEC's second directive on public supplies contracts[1], has been adopted by the council and is expected to come into force in about 18 months time.

The directive, normally known as the 'supplies directive', requires member states to introduce common procedures for the advertising and award of public supplies contracts. In due course it is expected to provide important opportunities for British industry to obtain public contracts in other community countries.

When the provisions come into force, central and local government bodies in community countries will, subject to certain exceptions, be required to advertise supply requirements over a threshold value of 200,000 units of account (about £130,000 at present) in the *Official Journal of the European Communities*.

These contract notices will call for tenders if they are of the 'open' variety or will invite applications to participate in tendering if they are of the 'restricted' type. The new directive effectively complements the existing directive 71/305 on public construction contracts.

Among the exceptions to the directive and its advertising process are contracts placed by bodies responsible for administering transport or telecommunication services, or the production/distribution services for water or energy: thus public utilities will effectively be outside the scope of the directive. In addition, contracts for data processing equipment will be excluded at least until 1981. Finally, there is a general exclusion for contracts for war-like stores and equipment.

Despite these exceptions a very large proportion of member states' public supplies contracts will be covered by the directive and open to competition from British industry.

As the Chief Secretary to the Treasury announced on 10 January, the government for its part will be consulting industry on how best to ensure that everything possible is done to help British firms meet the challenge which the directive represents. In particular it is proposed that there should be regular discussions between the government and industry in connection with the operation of the directive. However, it will, in the end, be the efforts of individual firms to pursue and win increased business that will determine the size of the benefits that come to this country from the new arrangements.

Nearer the date of the entry into force of the directive a further article in *Trade and Industry* will set out in detail the provisions of the directive and the ways in which firms can extract maximum benefit from it.

[1] The text of EEC directive 77/62 was published in the *Official Journal of the European Communities* L13/1, of 15 January 1977, obtainable from Her Majesty's Stationery Office, price 35p. (the English version of the *OJ* is also obtainable from HMSO daily).

EEC agreements with Egypt, Jordan and Syria

Three separate agreements with Egypt, Jordan and Syria, three of the group of eastern Mediterranean countries sometimes known as the 'Mashraq', were signed by the EEC on 18 January. The agreements provide for co-operation in the fields of trade and the general economic development of the Mashraq countries. Their trade provisions are to be brought into effect by interim agreements until the full co-operation agreements are ratified. The community hopes shortly to conclude a similar agreement with the fourth Mashraq country, the Lebannon. Negotiations were opened on 15 to 16 February.

Trade provisions

The agreements provide that Mashraq exports of industrial goods – that is, in general, goods falling within chapters 25 to 99 of the common customs tariff (CCT) – should enter the community free of duty from 1 July 1977. If the interim agreements should come into force before that date, the EEC will grant an initial reduction of 80 per cent in normal third-country duties.

For certain goods the tariff concession will be limited by annual community ceilings until 1979. Ceilings are to be applied to cotton fabrics (from all three countries), certain refined petroleum products of chapter 27 (from Egypt and Syria) and cotton yarn and phosphatic fertilisers (from Egypt only). In the agricultural sector, the community will grant tariff concessions ranging from 40 per cent to 80 per cent on selected products, mainly fresh and dried fruit and vegetables.

All community exports to the Mashraq will receive not less than most-favoured-nation tariff treatment.

The agreements include provisions relating to dumping and non-discrimination and to safeguard measures which can be taken by the community or any Mashraq country in the event of serious economic difficulties.

Rules of origin

A protocol annexed to each agreement defines the concept of originating products. To be eligible for tariff concessions under the agreements goods must be either 'wholly obtained', or having undergone 'sufficient working or processing', within the community or the Mashraq countries.

Normally, 'working or processing' is considered sufficient when, as a result the finished products may be classified under a different tariff heading from the materials and parts used. This is known as the change of tariff heading rule. There is however a number of exceptions to this rule which are specified in lists A and B to the protocol. List A covers products which, in addition to the simple 'change of tariff heading' rule, have also to meet a process rule. List B provides that the products listed need not meet the change of tariff heading rule but must satisfy a process rule.

The origin rules must be satisfied if preferential rates of duty are claimed. Evidence of originating status will be given by means of a movement certificate, form EUR 1, issued by the customs authorities of the exporting country, or by a form EUR 2 in respect of postal consignments not exceeding 1,000 units of account (about £649) in value.

Financial and technical co-operation

Each agreement has its own financial protocol, under which capital projects designed to promote industrialisation or modernise agriculture in the Mashraq countries may be financed or part-financed by the community; technical co-operation by the community in work relating to projects of this kind, such as training and technical studies may also receive financial assistance.

For these purposes the EEC will make available a total of 170 million European units of account (Eua) for Egypt, 60 million Eua for Syria and 40 million Eua for Jordan. In each case the sums will comprise loans from the European Investment Bank plus aid elements contributed by member states.

General inquiries should be addressed to Commercial Relations and Exports Division, Department of Trade, tel. 01-215 3472.

Development talks in Bonn

Frank Judd, the then Minister for Overseas Development, paid a short visit to Bonn on 14 February where he had talks with Frau Schlei, the West German Minister for Economic Co-operation.

Subjects discussed included aid issues in the context of the EEC, covering such aspects as aid to non-associates and the north-south dialogue.

EEC – your questions answered

This week, we are publishing a selection of questions put to the Department of Industry's EEC Information Unit during the past month.

The unit helps businessmen by answering general questions about EEC membership. Its prime responsibility is with those matters which are the concern of the Departments of Industry, Trade, Prices and Consumer Protection, but it is usually possible to direct an inquirer to sources of specialist advice in other government departments.

Contact the unit by ringing 01-215 4301 (six lines) or by writing to the EEC Information Unit, Department of Industry, 1 Victoria Street, London SW1H 0ET.

Summer time in '77

Q. I am drawing up schedules for my European holiday tour operations. Which EEC countries are introducing summer time and will the changeover coincide with our own?

A. Other members of the community applying summer time this year are France, the Netherlands, Belgium, Luxembourg, Italy and the Irish Republic. But the periods of summer time have not yet been aligned (see below).

Summer time periods for 1977 are as follows:

UK and Ireland	20 Mar to 23 Oct
France and Benelux	3 Apr to 25 Sep
Italy	22 May to 25 Sep

Whereas the UK and Ireland adopt Greenwich Mean Time in winter and GMT + 1 (British Summer Time) in summer, the rest of the community works to GMT + 1 (Central European time) in winter and, except Germany and Denmark this year, GMT + 2 (energy saving time) in summer.

Clocks are changed at the following local times:

	To summer time (+1 hour)
UK and Ireland	2 am (GMT) on Sunday
France and Benelux	2 am (GMT + 1) on Sunday
Italy	12 midnight (GMT + 1) on Saturday
	To winter time (−1 hour)
UK and Ireland	3 am (GMT + 1) on Sunday
France and Benelux	3 am (GMT + 2) on Sunday
Italy	1 am (GMT + 2) on Sunday

Meanwhile, the European commission is aiming to synchronise the change to and from summer time in future years to overcome the problems created by non-alignment. A draft directive to the council is under active consideration by the UK government and other member states.

If any changes are made to the existing arrangements, details will be published in *Trade and Industry*.

Sources of statistics

Q. Are there any EEC publications which give comparative statistical profiles of the member states?

A. The Statistical Office of the European Communities issues a variety of statistical periodicals, each giving information on a branch of economic or social activity in the member states. Some appear annually, while others are issued at either quarterly or monthly intervals. Those likely to be of particular interest include:

Basic statistics
Social, industrial and trade statistics of the community, other European countries, Canada, USA, Japan and USSR, annual (1976 issue: £1.20).

General statistics
Principal economic statistics of member states and associates of the EEC, with figures for USA and Japan, 12 issues per year (annual subscription: £21.45).

Energy statistics
Three separate energy bulletins dealing with coal, hydrocarbons, and electricity are being introduced this year, commentary on short-term trends in these sectors, monthly (annual subscription to all three: £12.85).

External trade: monthly statistics
Information on short-term developments in external trade of member states and associated countries, 12 issues per year (annual subscription: £21.45).

Industrial production
Industrial production indices and production data for certain raw materials and manufactured articles, quarterly (annual subscription: £8.60).

Regional statistics
Economic and social statistics of the community regions, annual (1976 issue £3.10).

All the above publications are available from HMSO, PO Box 569, London SE1 9NH, tel. 01-928 6977, ext. 410. Prices do not include postage, except in the case of subscriptions.

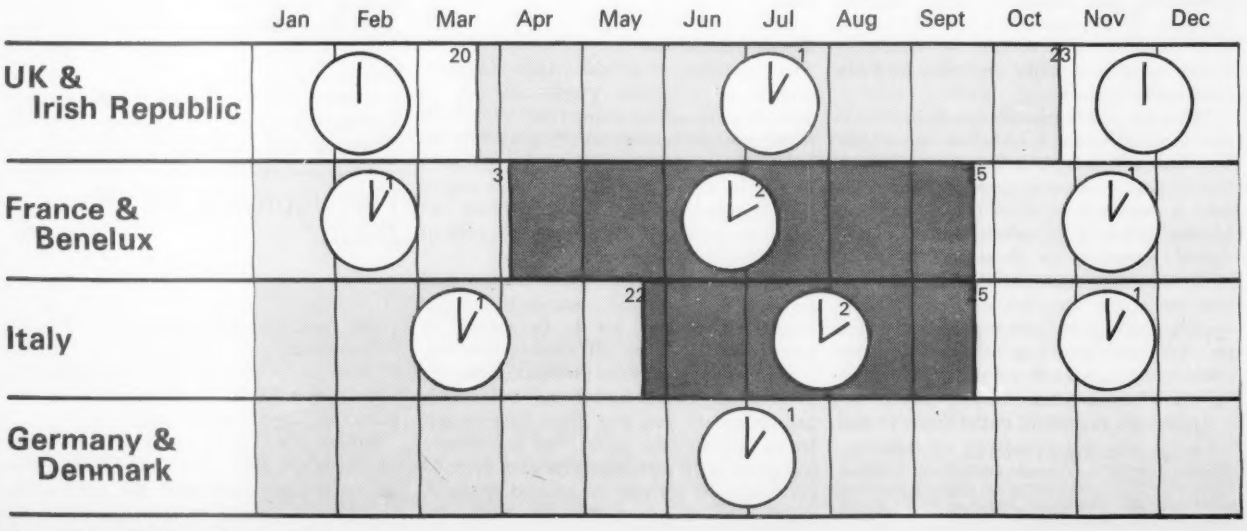
For those interested in the whole range of government statistics, a free pamphlet, 'Government Statistics – a brief guide to sources', gives up-to-date contact points in departments for further information. You can obtain copies from the Central Statistical Office, Press and Information Service, Great George Street, London SW1P 3AQ, tel. 01-233 6135/6193.

Florence agreement

Q. What is the Florence agreement?

A. The Florence agreement[1] is a Unesco agreement designed to promote the free

[1] Cmnd 9185.



circulation of educational, scientific and cultural materials. Contracting states (there are currently 68) undertake not to apply customs duties on the importation of the materials listed in the annexes to the agreement.

Broadly, the materials covered are as follows:

1 Books, publications and documents;
2 Works of art and collectors' pieces of an educational, scientific or cultural character;
3 Visual and auditory materials of an educational, scientific or cultural nature imported by organisations approved by the competent authorities of the importing country;
4 Scientific instruments or apparatus intended exclusively for educational purposes or pure scientific research and consigned to scientific or educational institutions approved by the competent authorities of the importing country;
5 Articles specially designed for the blind which are imported by approved organisations concerned with the welfare of the blind.

The provisions of the Florence agreement are fully reflected in EEC regulation 1798/75 which has as its aim the harmonisation of member states' practices for giving import duty relief on the above materials. Further information is available from the Department of Trade, General Division, Duty Remission Branch, Sanctuary Buildings, 20 Great Smith Street, London SW1P 3DB, tel. 01-215 5971.

Using computers for translation

The commission has sent a communication[1] to the council suggesting greater use of computers for basic translation purposes. The community translation service has already begun to build up a terminology bank and experiment with a multilingual retrieval system for metallurgy. Studies are also in hand on methods of transfer of scientific and technical information from one language to another.

As a result of the success to date with these experiments, the commission has decided to initiate a three-year plan, starting this year, for their gradual application on a wider scale.

The plan involves action on several fronts: for the automatic pre-translation of unprocessed texts drafted in natural languages, the commission intends to experiment with one pair of community languages and one specialised field; for the automatic translation of texts drafted in limited syntax, the commission proposes that this will initially be applied to scientific and para-scientific texts of interest to the community, but it is hoped to extend the process by training staff to draft other texts with reduced syntax; the commission is already trying to establish a terminology bank for translators and this will be extended through the computer; controlled multilingual vocabularies are essential tools in correct translation and work already started in this field will be expanded; finally, the commission proposes to improve techniques, assessment and research, and promotion – this involves continual efforts to refine techniques, the review and revision of experiments, and an effort to interest all those concerned with efficient multilingual translation in what the community is doing.

The cost of the plan is expected to be over £1 million (2,750,000 units of account).

[1] COM (76) 705 final, 23 December 1976.

EEC examines diplomatic representation

At the suggestion of the UK, EEC member states are currently examining whether a start could be made with some sharing of services and physical facilities of national embassies in third countries.

This information was given by John Tomlinson, Under-Secretary of State at the Foreign and Commonwealth Office, in reply to a Common's question on 14 February. He added, 'We are always open to ideas for coordinating foreign policy among the Nine and saving public funds'. The UK's partners did not appear ready at the first stage to consider joint missions, he pointed out, and it was premature to think of abolishing national embassies.

Utilisation of coal for electricity generation

The commission has adopted a proposal[1] for a council regulation on community financial measures to promote the use of coal in power stations.

The commission will provide financial support for public or private investment projects in electricity production within the member states to promote the construction of power stations which can be exclusively fired by coal as a primary fuel, for the conversion of plants which cannot use coal to enable them to be fired solely by this type of primary fuel, including the installation of the requisite auxiliary equipment, and for the modernisation of power stations which are solely coal-fired and which will be 25 or more years old by 1980.

The financial support will only apply to projects involving an actual capacity of at least 100MW. Financial assistance will be provided to finance 30 per cent of the additional investment which – in the commission's opinion – will be required solely and of necessity in replacing liquid-fuel-fired equipment by coal-fired equipment, to equip power stations with combined coal and liquid-fuel-fired equipment or to modernise equipment. The commission will have to take into account coal consumption programmes for the first seven operating years of the recipient plant in its assessment of applications.

The total cost of this community programme will not be more than 500 million Eua. This will be spread over a period of not more than 15 years at a maximum rate of 50 million per year.

[1] COM (76) 648 final.

Assistance for poultry meat processing

Poultry meat processors are reminded that the closing date for applications for assistance under the poultry meat processing industry scheme is 31 March 1977, and applications should therefore be submitted without delay.

The purpose of the scheme is to provide financial assistance to enable the poultry meat processing industry to improve or modify its premises and equipment in response to UK regulations implementing the requirements of the EEC directives on poultry meat hygiene.

EEC contracts for geothermal energy research

The European commission has invited applications for further proposals for jointly funded research and development in the second stage of its geothermal energy programme.

The community's geothermal programme, which was first announced in August 1975 and revised in December 1976, covers work in the areas of acquisition and collation of existing and new geothermal data, and improvement and/or adaptation of existing prospecting methods to specific geothermal requirements and development of new methods of prospecting and exploration. It also covers sources of hot water, steam sources, hot dry rocks and training of specialists.

Projects on sources of hot water can include construction of geothermal models for the regions concerned, full-scale experimental verification of theoretical models and tests on the use of sources of hot water for district and agricultural heating. On steam sources and hot rocks, projects can include construction of geothermal models, improvement of measuring and drilling techniques for experimental work at high temperatures, stimulation of steam sources and the fracturing and extraction of heat from hot rocks.

The commission has allocated £5.4 million (13 million units of account) for the geothermal energy programme, and will contribute about half the total cost of the projects accepted.

The commission has already negotiated 25 contracts for the first stage of the programme and about the same number are in the final stages of negotiation. Five UK proposals, out of seven submitted, have been accepted.

Proposals from individuals or organisations within the community for the second stage of the programme should be submitted by June 1977.

Further details of the commission's invitation and submission procedures are available from Dr J. D. Garnish, Energy Technology Support Unit, Building 10.28, AERE, Harwell, Didcot, Oxon OX11 0RA tel. 0235-24141 ext. 2450, or Dr G. Preston, Department of Energy, Thames House South, London SW1, tel. 01-211 5461.

Overseas trade news

Anti-dumping investigation into horticultural glass

As a result of a joint approach from Pilkington Brothers and the General and Municipal Workers Union, the Department of Trade is undertaking a full investigation into the alleged dumping of horticultural glass from Czechoslovakia, USSR, Romania and Poland.

Answering a parliamentary question on 17 February, Michael Meacher, Parliamentary Under-Secretary of State for Trade, said he was satisfied that there was prima facie evidence of dumping which was causing material injury to the firm and he hoped that the case would be concluded satisfactorily within a month or so.

He also said that while the investigation was proceeding the department would also consider whether horticultural glass from other countries should be brought into the full investigation.

In accordance with the department's normal procedures for handling applications under the Customs Duties (Dumping and Subsidies) Act 1969, a summary of the applicant's case will be made available to interested parties. Any representations should be submitted in writing not later than 11 March.

Such representations in summarised form and without attribution to the source may be passed on to the applicants for comment. Those making representations should stipulate any points which they do not wish to be disclosed.

Representations and requests for copies of the summary should be sent in writing to: General Division, Department of Trade, Room 348, Kingsgate House, 66-74 Victoria Street, London SW1E 6SJ.

Czechoslovak minister in London

Alan Williams (left), Minister of State for Industry, with Pavol Bahyl, Czechoslovak Federal Minister of General Engineering, in London on 21 February. Mr Bahyl was on a three-day visit to the UK for talks with representatives of British industry particularly in the motor vehicle and machine tools sectors.

Japanese raise ship export prices

At the Organisation for Economic Co-operation and Development meeting in Paris on 8 February the Japanese government announced new measures to raise ship export prices. They also expresssed a willingness to consider export restrictions to certain countries and to revise downwards the maximum manhours worked in shipyards if price controls proved insufficient to reduce the flow of orders to Japanese yards.

The announcement of tighter price controls was given a cautious welcome by European countries as a positive step in the negotiations to solve the shipbuilding crisis, but they reserved judgement until the practical effect of the measure could be evaluated. However, the European community expressed grave doubts about the value of the proposal to restrict exports to individual countries, the implications of which would have to be carefully examined.

The talks will be resumed at the next meeting of the OECD working party on shipbuilding on 22 March.

New ECGD figures reflect export growth

Figures showing an increase of over 46 per cent in the value of short-term export business insured by the Export Credits Guarantee Department in the period April 1976 to December 1976, compared with the same period in 1975, were announced on 16 February. The figures also showed an increase of nearly 40 per cent overall in the value of the British exports insured by ECGD over the same period.

The figures were given by Edmund Dell, Secretary of State for Trade, speaking to the city members of the Export Guarantees Advisory Council at the Mansion House in London on 16 February. The city members of the council advise ECGD on its cover for export markets and on individual underwriting proposals.

Mr Dell said, 'I know the city members of the advisory council will be as gratified as I am at the continued growth in ECGD business in 1975-76.'

The figures, he said, for the first nine months of 1976-77 were very striking. The value of ECGD business declared was – at £8,336 million – nearly 40 per cent greater than in the same period of the previous financial year. And this figure included a massive 46.1 per cent increase – to £6,671 million – in the value of short-term business declared.

Referring to more new figures showing the increase in claims paid by ECGD in 1976, Mr Dell said, 'To those who say that ECGD doesn't take risks, the new figures for claims paid by ECGD provide the answer. They have increased from some £30 million in the first nine months of 1975-76 to £47 million in the same period of 1976-77.'

Kenya transfers small businesses to citizens

Over 100 non-citizen businessmen in Kenya have been served with quit notices and ordered to vacate their ventures within four months from 1 February.

The businesses, most of which are small, will be allocated to citizen traders by the district trade licensing review committees.

Similar transfers of businesses from non-citizen to citizen traders have been taking place in Kenya since independence.

The 70 businesses listed below are among those affected:

Nairobi

Portal Pharmacy Ltd, Patco, Lusaka Road Service Station, Broadway Representation, Riaz Carpet Emporium, River Flour Mills, American Trading Stores, Raskilal A. Madhani, Interceramic, Latco Store

Popatlal Jivraj, Rajputan Laundry, J. Rustomji, Variety Silk House, Jamna Tex, Devraj and Co, N. D. Shahat and Sons, Amratlal Hardware Stores, Uneximp Ltd, Oswald Stores

MK Bros, Afrodite Health and Beauty Centre, Dharamji Pacha Shah, Rino Fabbri, Shah Kanji Lalji and Sons (K) Ltd, Beth Ltd, Malde and Malde Agencies, Hirji Meghji and Co, Velji Hirji, Dharamshi Virpal and Co

New Nairobi Craft Co, Lace Supply Co, Phakey and Co, G. M. Dodhia and Co, Kem Stores, Kenya Associates Ltd, Cassam and Partners, Lyntano Ltd, W. D. Armstrong and Co, Premchand Hepa and Co

Jalaram Traders, Timply Black Board Syndicate, Kameco, Speedway Travel Service and Tours, Premchand Mepa and Bros, World-Wide Stamps and Curio Emporium, Jadavji Valji and Sons Ltd, The Links, Adforce (K) Ltd, Swastic Food Products

Westlands Lawn Mower Service, United Partners Garage, An unnamed company of Box 44011

IN RIFT VALLEY PROVINCE

Nakuru

Karias, Battan Singh Virdee, Karia's Furniture House, Mukhtor Singh Garage, Dasson Engineering Works, Nakuru Partnerships, K. V. Karia, Ten Tex Garments, Nakuru Radio House

Uasin Gishu

Bansal Watch Co, Harji Kara, Fairworths Ltd, Singer Sewing Machines

Kitale District

Yusu Automobile

Kericho District

Kericho Grocers, Chadra Bros, Singer Sewing Machines

Inquiries: CRE 01-215 5226.

No expansion for agricultural export council

Expansion of the activities of the British Agricultural Export Council has been given the thumbs down by the agricultural industry.

Answering a written parliamentary question on 11 February, John Silkin, Minister of Agriculture, Fisheries and Food, said that the overall view of the industry was against proceeding with the proposed expansion on the grounds that the industry would not derive sufficient benefit from the enlarged body to justify contributions on the scale needed.

'I find this decision disappointing,' Mr Silkin said, 'and it remains vital that our exports of agricultural goods and ancillary products continue to expand.'

Mr Silkin said that when he met representatives of the farming industry and the manufacturing industries concerned, the British Overseas Trade Board and the British Agricultural Export Council (BAEC) on 21 January he emphasised the widespread support for the view of the Advisory Council for Agriculture and Horticulture that there was scope to improve exports in the agricultural field and, for the basic recommendation, that there should be a stronger central body to promote agricultural exports based on the BAEC and financed by the industry.

He said he recognised the general view against funds being provided by a levy and he had invited the industry representatives to join together in making a voluntary contribution towards the new body on a basis which would provide an adequate and assured level of support for an initial period of three years. It was indicated that if sufficient funds were available from the industries to put the new body on a sound footing, these could be supplemented by launching aid from the government.

At a second meeting on 11 February Mr Silkin said some organisations offered limited contributions subject to conditions but the overall view was against proceeding with the proposed expansion.

Mr Silkin hoped that the industries concerned would maintain their excellent export record and that individual companies would be prepared to work together to develop joint ventures.

'The government, including my department,' he said, 'will continue to play its part in helping exporters through the whole range of commercial and diplomatic facilities and services which it provides.'

Visits by overseas commercial officers

The following overseas commercial officers are expected to be in this country shortly, when they will be available for discussions:

Israel: P. C. Barr, commercial officer, locally engaged, in Tel Aviv since April 1968; available: July 1977.

Peru: S. S. Calder, second secretary (commercial) in Lima since May 1975; available: May 1977.

Iran: A. J. Ward, first secretary (commercial), in Tehran since October 1975; available: June 1977.

Because commercial officers often have only limited time at their disposal it may not always be possible to fit everyone in. Where it is possible, firms are reminded that the Export Services and Promotions Division of the Department of Trade, Export House, 50 Ludgate Hill, London EC4M 7HU, who are in close touch with all overseas commercial officers, can very often supply advice or the information that applicants hoped to obtain at the interview. Outside London, the regional offices of the Department of Industry, Welsh and Scottish Offices and the Department of Commerce, Belfast, can also help.

British firms and organisations who wish to meet the officers are asked to write for an appointment, giving full details of the specific export problem and commodities involved as follows:

> Firms in Northern Ireland should contact the Export Branch of the Department of Commerce, Belfast; those in Wales the Welsh Office, Cardiff, and for Scotland to the Scottish Office, Glasgow. For the Eastern Region and the London and South Eastern Region (and any organisation in the other regions who would prefer or be prepared if necessary to meet the officers in London) should write to Tours Section, Department of Trade, 50 Ludgate Hill, London EC4M 7HU.
>
> For all other regions, firms should contact the appropriate Department of Industry Regional Office (Exports).

UN conference to study world water policies

Mar del Plata, Argentina, is the venue for a conference on water to be held from 14 to 25 March under the auspices of the United Nations. The conference is limited to governments, specialised agencies and organisations of the United Nations. Inter-governmental organisations and non-governmental organisations can attend.

The object of the conference is to consider how the planet's fixed stock of water can best be managed for domestic, agricultural and industrial use; and to stimulate public awareness of, and interest in, the critical world water situation.

There are four main topics on the agenda covering the assessment of the world water situation, the potential and limitations of technology, water policy and possible action. The conference will undertake a comprehensive review of current and prospective supply and demand to identify the gravity of actual and potential water shortages.

A review will also be made of the technological advances needed to achieve the greatest possible increase in the supply of water and efficiency in its use and re-use. There will be an emphasis on criteria for selecting and applying the most appropriate levels of technology in various economic and social settings.

The conference will concentrate its attention on ways of adapting water policies and institutions to the physical and cultural conditions of individual countries, and how the policies and institutions can be made fully responsive to current and future demands for food, energy, improved health and sanitation, and pollution management.

The conference will seek to identify a series of proposals for action at the national and international levels to promote the efficient development and use of water resources.

In parallel with the conference, the Argentinian government has arranged a series of technical and scientific sessions on water resources. These will cover 14 topics including training, hydrology, planning, hydraulics, hydroelectricity and legislation. Sessions will range from about four hours to two days each. Admission to the sessions is limited to 50 participants and 50 observers. The organisation of these meetings and the arrangements for inviting participants are in the hands of the Argentinian government.

The composition of the UK delegation will be announced later. The size of the delegation will be the minimum compatible with proper representation.

Any inquiries on the conference and the technical and scientific sessions should be addressed to: Mr R. Nicholls, Room C7/11, Department of the Environment, 2 Marsham Street, London SW1P 3EB.

Berlin conference on international standards

The second plenary conference of the International Federation for the Application of Standards (Ifan) will be held in conjunction with the annual conference of the Ausschuss Normenpraxis (ANP), the German member body of Ifan, from 11 to 13 May. The joint conference will be held in the Berlin Congress Hall under the sponsorship of the Mayor of Berlin. Representing the UK will be BSI Standards Associates Section.

The conference will discuss matters of general interest relating to standards practice and results of the work carried out by its working groups will be published. These are currently dealing with the following subjects: 'Economics of standardisation'; 'Initial and further training in the field of standardisation in the 1980's'; and 'The kind of international standards needed and their implementation'.

Lectures on these subjects will be given at the conference by speakers from Belgium, Denmark, Germany, France, UK, India, Canada, the Netherlands, Austria, Sweden and the United States.

Further details of the conference can be obtained from Caroline Walcot, BSI Standards Associates, 2 Park Street, London W1A 2BS, tel. 01-629 9000.

Over 2000 companies are already taking part in Export Year. But there is still plenty of time to join them. Write to or phone the Export Year Office, 1 Victoria Street, London SW1 0ET. Tel. 01-215 5180/3393/5773.

USSR and Sweden receive ECGD-backed loans

Loans for industrial projects in the USSR and Sweden totalling £118 million are being backed by the Export Credits Guarantee Department.

A £70 million loan which Morgan Grenfell has arranged with Vneshtorgbank, the Bank for Foreign Trade of the USSR, the finance for which was made available by Lloyds Bank Ltd and National Westminster Bank Ltd, will help finance the UK portion of a £100 million contract awarded to Coberrow Ltd by V/O Machinoimport for the supply of 42 gas turbine compression modules in the Soviet Union.

The compression units based on the Rolls-Royce Avon engine will be used in booster stations to pump gas along a 600 miles section of pipeline from western Siberia to Chelyabinsk in the Urals.

A £40.5 million loan also made available to Vneshtorgbank, this time by Williams and Glyn's Bank, will help finance a contract awarded by V/O Techmashimport to Constructors John Brown Ltd for the engineering, procurement, supervision of construction and commissioning of a high-density polyethylene plant at Kazan, USSR. The plant, scheduled for commissioning in 1981, will have a capacity to produce 200,000 metric tons of polyethylene a year.

This is the second contract for a high density polyethylene plant to be awarded by V/O Techmashimport to Constructors John Brown. The first, now under construction at Budyonovsk, southern Russia, is also being financed with the help of an ECGD guaranteed loan. It too is designed to produce 200,000 metric tons of polyethylene a year.

The two loans bring the total value of financial agreements and the credit arrangement made with the USSR in February 1975 to £188 million.

An £8 million line of credit arranged by Hambros Bank acting on behalf of Barclays Bank International Ltd as agents for Barclays Bank Ltd to Berol Kemi AB, Sweden, will help finance contracts placed in the UK for the construction of an 'OxO' chemical plant at Stenungsund near Gothenburg, Sweden.

Badger Ltd of Brentford, Middlesex, are the main contractor for the design and supervision of construction of the plant and are acting as procuring agent for UK contracts.

Libya: first target for technology group

Libya was the destination of the first mission sponsored by the newly-formed British Technology Transfer Group (BTTG). The mission left from Gatwick Airport on 15 February and the members were (left to right) Gordon Maclean, (Murray Ward and Partners), Paul Cautley (Strategy), Hugh Bostock (Northcroft, Neighbour and Nicholson), Douglas Pinto (Pinto and Partners), Frank Drake (John Laing R and D), Eddie Robinson (White Young), and Bill Sterling (Scott Wilson and Kirkpatrick).

British firms could clothe more of Japan's children

There is a strong potential market in Japan for babies' and children's clothes and for other products used in baby care. This is the major conclusion of a report 'The Japanese Market for Children's Apparel and Baby Supplies' published by the British Overseas Trade Board.

The report examines the prospects of a market developing in Japan for a middle price/quality range of children's clothing and considers that this potential market might be exploited by exporters from European countries – such as the UK – who already supply clothing in the lower price bracket. Referring to the general level of taste in children's clothes, the report points out that European clothing, especially for the winter, autumn and spring, is liked by the Japanese because of its emphasis on style and design. The surprisingly high prices paid for children's clothing and related products by many Japanese parents reflects the care and attention they give to their children.

Design and technical licensing agreements are also a means of entry into the Japanese market. The advantage of these, as the report points out, are that they eliminate the problems of meeting consumer regulations, of selling in small lots, and the difficulties of reacting sufficiently quickly in Britain to rapid changes in fashion and consumer taste in a distant market such as Japan.

Industrial estates in Hong Kong

An industrial estates provisional authority has been set-up by the Hong Kong government and charged with the setting up of industrial estates in the colony. The provisional authority has recently issued details of the terms under which it will be prepared to lease sites on the first industrial estate currently under construction on reclaimed land at Taipo in the New Territories. The first leases are expected to be let, and building started, in April of this year.

Applicants will have to show that their industrial processes are such that they cannot be carried on in an ordinary multi-storey industrial building and preference will be given to those applicants who can show that their industrial processes will be at a generally higher level of technology than is current in Hong Kong's manufacturing industry.

Leases will be granted for periods of up to 15 years at a price of HK$45 per sq. ft. Lot sizes can be adjusted to suit individual requirements.

Further information may be obtained from the Commercial Director, Hong Kong Industrial Estates Provisional Authority, Suite 1206, Guardian House, 32 Oi Kwan Road, Hong Kong.

Hints to business men booklets

Revised editions of the booklets on The Republic of Korea, Libyan Arab Republic, Mozambique, and Norway have been published in the *Hints to business men* series. British business men who intend visiting these countries on export business can obtain copies of the booklets from Export Services and Promotions Division, Department of Trade, Room D05, Export House, 50 Ludgate Hill, London EC4M 7HU, tel. 01-248 5757 ext. 7146, or any regional office of the Department of Industry.

Advertisements are accepted for all booklets in the series which covers over 100 countries. Inquiries about advertising should be addressed to Cheiron Press Ltd, 8/10 Parkway, London NW1 7AD, tel 01-267 1285.

Reconstructing Lebanon – symposium

There are considerable, immediate opportunities for British industry to help re-equip and restock Lebanon after the civil war. At a symposium held by the Committee for Middle East Trade (Comet) and the CBI on 8 February, it was also said that there would be important long-term projects in both the public and private sectors and the British government was considering how best to prepare and present proposals which would match Lebanese requirements.

Speakers at the symposium, which was chaired by Lord Limerick, included George Asseily, president of the Lebanese Industralists Association, George Elliott of the British Urban Development Services Unit and Sinclair Road of Comet, who had just returned from an exploratory visit to Beirut. The Lebanese ambassador in London, Nadim Dimechkie, and the British ambassador in Beirut, Sir Peter Wakefield, also took part in the discussion.

Speakers underlined the resilience and initiative shown by the Lebanese in the past and were confident that the country was

Letters to the Editor

Letters to the Editor should be addressed to the Editor, *Trade and Industry*, Room 437, 1 Victoria Street, London SW1H 0ET, and *not* to HMSO.

capable of making a more rapid recovery than two years of civil war might suggest.

The losses suffered, not least in human life, were substantial, but all the basic services were already operating once more. Beirut port was handling cargoes; the airport was fully operational; hotels, of which over 30 remain, were filling up and banks and shops were back in business. It was the private sector which was leading the way to recovery in the Lebanon with the active encouragement of the new government, which was composed of industrialists and professional men.

Nottingham's Moroccan mission

A mission to Morocco is being organised from 22 to 29 May by the Export Association of Nottingham. The association says that this is another important market all too infrequently visited.

Further details of the mission can be obtained from, Mrs B. A. Paling, Administrative Secretary, Export Association of Nottingham, 9 Grannis Drive, Aspley, Nottingham, tel. Nottingham (0602) 293360.

Anglo-Cuban joint commission meets in London

Pictured below is the opening session of the second meeting of the Anglo-Cuban joint commission on economic and industrial co-operation, which closes today (25 February). Co-chairmen of the joint commission were William Knighton, under secretary at the Department of Trade, and Ernesto Melendez Badus, vice-president of the Cuban State Committee for Economic Collaboration.

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Overseas trade country data

Barbados

Cement: import licensing. By SI 1977, 19, the Barbados authorities have announced that import licences are no longer required for cement (portland grey) under tariff heading 25.23.

Inquiries: OTAR 01-248 5757 ext. 7312/456/457.

Brazil

Duty reductions on zinc. Customs Policy Council resolution 2905, published in the *Diario Oficial*, 11 January, gave duty reductions on the import of zinc, under tariff headings 79.01.01.00 and 79.01.02.00 as follows:

A reduction in import duty from 30 per cent to 7 per cent on:

The import of unwrought zinc of any grade of purity provided that the importer can prove to Cacex that he has purchased 2 tonnes of domestic high grade zinc for every tonne to be imported;

The import of special high grade zinc of 99.99 per cent purity provided that the importer can prove to Cacex that he has purchased 1 tonne of domestic special high grade zinc for every 3.4 tonnes to be imported and also that he is able to use the zinc and that it is for his own use.

Zinc originating in the Latin American free trade association and fulfilling the above conditions shall be subject to duty of 2 per cent.

Resolution 2734, which granted similar concessions, is revoked.

Inquiries: OTAR 01-248 5757 ext. 476/474.

Cameroon

Compulsory insurance of imports. Decree 76/334 of 6 August 1976 states that in future all imported goods with an fob value of over 500,000 FCFA must be insured through local companies in Cameroon. Also, it will not be possible to take out a policy of only Free of Particular Average in Cameroon and then insure for all risks cover with a company operating outside the territory.

It should also be noted that an import licence will only be issued upon production of a valid insurance certificate from the local company.

Copies of the decree (in French) and an unofficial English summary are available from CRE 01-215 5334.

Canada

Double knit fabrics. The Canadian government has announced the imposition of a three-year global import quota on double-knit fabrics under Gatt article 19, beginning on 8 April. The quota level in the first year will be 8.5 million lb, which will be distributed to Canadian importers at six-month intervals based on their individual historical import performance. Increases, if any, in quota levels for the second and third quota years will be determined at a later date, and will depend on growth in the apparent Canadian market for these fabrics.

The new quotas will supersede the six-month global import quota of 4,575,000 lb introduced on 8 October 1976.

Inquiries: CRE 01-215 5397.

Chile

Exchange rates. The Chilean Central Bank has now established the daily rate of exchange for the period 5 February to 4 March 1977. Copies of the list are available from CRE 01-215 5289.

Further information

In many cases further information on the notices published on these pages is available to British exporters from the Department of Trade. The main branches concerned are: Commercial Relations and Exports (CRE) Division, 1 Victoria Street, London SW1H 0ET (tel: direct dialling); and Overseas Tariffs and Regulations Section (OTAR), Export Data Branch, Export Services and Promotions Division, Export House, 50 Ludgate Hill, London EC4M 7HU (tel: 01-248 5757). In each case, the relevant information source is indicated at the end of the notice by its initials (OTAR or CRE) and, in the case of OTAR, the telephone extension.

Finland

Levy on imported rubber footwear. The Finnish authorities have announced that from 9 February a levy will be made on imports of rubber footwear, where the import price is below the current government declared minimum import prices, which are as follows:

Men's footwear	30 Finnmarks per pair
Women's footwear	20 Finnmarks per pair
Children's footwear	16 Finnmarks per pair

The levy will be the amount of any difference between the import price and the minimum import prices given above.

Inquiries: OTAR 01-248 5757 ext. 458/461.

France

Toys. An arrêté of the Ministere de l'Industrie et de la Recherche of 22 June 1976 introduced compulsory safety standards for toys manufactured in or imported into France.

Details of these standards are published in documents NF S 51-202 and NF S 51-203, copies of which can be obtained from British Standards Institution, Sales Dept, Nowton House, 101 Pentonville Road, London N1.

The new standards become compulsory for goods imported or manufactured after 1 January, and for goods put up for sale from 15 November.

Toys or their packaging should bear a label stating:

'La conformite du présent produit aux normes francaises obligatoires est garantie par'

and be followed by:

'l'importateur'

for imported goods.

Copies of the French text of this arrêté can be obtained from OTAR 01-248 5757 ext. 423.

Tobacco. A decree of 24 May 1976 removed the monopoly restrictions from the importation and wholesale marketing of manufactured tobacco from EEC states.

The importation of unmanufactured tobacco and of manufactured tobacco from non-EEC countries as also the processing of tobacco within France remain the sole right of the monopoly administration – SEITA.

The retail sale monopoly remains in the hands of the tax authorities acting through designated tobacconists.

An excise duty will be levied on imported products: details of this tax are given in articles 10 and 11 of the decree.

For the new member states of the EEC – UK, Denmark and Ireland – the provisions of this decree will come into force at the end of the transitional period on 1 January 1978.

A further decree of 31 December 1976 lays down the conditions to be fulfilled by firms wishing to establish themselves in France as suppliers of imported manufactured tobacco.

Inquiries: OTAR 01-248 5757 ext. 423.

Indonesia

Regulations on registration of cosmetics and hygiene articles. The Indonesian Minister of Health has announced revised regulations on the obligatory registration of imported or domestically produced cosmetics and hygiene articles, effective from 27 December 1976.

Loan copies are available on request from OTAR 01-248 5757 ext. 469/401/468.

Jamaica

Import licensing. By notice to importers 2975, the Jamaican authorities have announced that the following goods have been placed on the list of goods which require a licence for their importation into Jamaica:

1 Dental, medical, and surgical instruments and equipment, and parts therefor
2 Books
3 Magazines, newspapers, journals, periodicals, and other reading materials
4 Weed-killers, insecticides, fungicides, and herbicides
5 Pesticides – eg rat-bait, etc
6 Galvanised, and mesh wire
7 Sports goods – all types
8 Flashlights, battery and magneto lamps
9 Pencil sharpeners, lead pencils, and certain wooden items for blackboard use, as also wooden rulers, and wooden yardsticks

By notice to importers 2976, the Jamaican authorities have announced that only the following goods now require no specific licence for their importation into Jamaica:

1 Artificial eyes and limbs, hearing aids and similar appliances to compensate for defect or disability, but excluding spectacles and spectacle frames
2 Blood and plasma
3 Dental, medical, and surgical supplies for institutional or professional use as follows: surgical dressings and bandages; syringes; needles; intravenous giving sets; other surgical and medical material whether disposable or not; X-ray films
4 Charts, globes, maps, plans and technical drawings and drafting paper for such drawings, including manuscripts and typescripts
5 Correspondence courses
6 Music, printed or in manuscript
7 Artist materials, as follows: oil and water paints in tubes; turpentine and picture varnishes in small bottles; acrylic paints in small containers; plasticine
8 Stationery items, as follows: blackboard compasses, except wooden; blackboard set squares, except wooden; blackboard rulers, except wooden; drawing and map pins; bull dog clips; mathematical sets; erasers; rubber bands; slate pencils; slates, and counting frames with beads; common pen holders; draughting pens and points; pen points (nibs); paper punches; office staplers; date stamps; numbering machines; slide rules; rulers, except wooden; yard sticks, except wooden; tape measures; correcting fluids for typewriters and for stencils; stencils
9 Bull semen – for breeding cows
10 Eggs – for hatching only
11 Ducklings and turkey poults for breeding purposes
12 Livestock for breeding purposes – excluding horses, but including cattle, sheep, goats, and rabbits

(Items 10-12 on the recommendation of the Ministry of Agriculture)

13 Seeds and stocks for planting
14 Vaccines – including Newcastle and Marek's for poultry diseases, neo-vac for pigs, certivac for dogs, polyvac, coryne bacterium and pasturella bacterin for cows
15 Items specifically intended for use in the local fishing industry, as follows: artificial bait; cast nets; compass; copper nail; echo sounders; floats; wire lines; plastic lines; hooks; swivels; trolling reels
16 Commercial solder
17 Needles, and pins
18 Wooden clothes pegs
19 Paper patterns with sewing instructions

Inquiries: OTAR 01-248 5757 ext. 7312/456/457.

Import restrictions. On 9 February 1977, the Jamaican authorties announced a total ban on the importation of 128 items, including whisky, motor cars, and a wide range of foodstuffs and consumer goods. All outstanding licences for these goods have been revoked, although consideration will be given to genuine cases of hardship, where supported by purchasers' firm orders and suppliers' irrevocable confirmations.

Applications for consideration will not be accepted after 15 February 1977.

Inquiries: OTAR 01-248 5757 ext. 7312/456/457.

Lebanon

Air mail letters. The Lebanese post office has announced that it can accept incoming letter mail by air.

A restricted air mail letter service is now available. The following items may be sent:
Letters weighing up to 20g to all addresses.
Postcards to all addresses.
Letters addressed to banks may weigh up to 2kg.

Registration is available for these items.

The air parcel service is not yet available nor are any surface mail services.

Inquiries: CRE 01-215 3508.

Madagascar

Capital city. Under the terms of the 31 December 1975 constitution, the capital city of Madagascar, formerly known by its French-language name Tananarive, is to be called in future (as part of the general adoption of Malagasy as the official language) by its historical Malagasy name, Antananarivo.

British businessmen conducting business with Madagascar should bear this in mind.

Inquiries: CRE 01-215 5334.

Valve order for Hayward Tyler

Hayward Tyler of Luton, a member of Stone-Platt Pumps, has won a £770,000 order from Stein Industries of France. The order is for glandless wet stator motor driven circulating pumps, similar to those pictured below, and the pumps will be used on boilers at the Tabriz Power Station, Iran. Delivery for the pumps is due to commence in 1978.

CRE Commercial Relations and Exports Divisions
Tel. Direct dialling (see end of each notice)

OTAR Overseas Tariffs and Regulations Section
Tel. 01-248 5757 (extension at end of each notice)

Nigeria

Import restrictions. The following information has been received from the British High Commission in Lagos:

The Nigerian government has announced, with effect from 3 January, a restriction order on the importation of certain electronic equipment. This includes:

Microphones, mini-sized dynamic microphones, pocket-sized tape recorders, lie detectors, door-step microphones, pocket wireless transmitting and receiving sets, pocket electronic stethoscopes, wireless telephone and space monitoring sets, micro-cameras, eavesdropping equipment, '22' photocopy machines capable of reproducing in colour and all forms of mini-transmitters.

Prospective importers will be required to obtain a special licence.
Inquiries: OTAR 01-248 5757 ext. 473/472/471/462.

Singapore

Amendments to customs duties. The Singapore government has introduced the Customs Duties (Amendment) Order 1977, which came into force on 28 January 1977, whereby the following sub-heading should be inserted after heading 94.01 000:

CCCN (formerly BTN)	Classification	Quantity	Customs duty Full	Preferential	Excise
94.01.001-1	Headrests for motor vehicles	Value	Nil	Nil	Nil

Inquiries: OTAR 01-248 5757 ext. 401/468/469.

Tariff amendments: soft drinks. The Singapore government has introduced the Customs Duties (Amendment no. 2) Order 1977 which came into effect on 4 February 1977 whereby the customs duties are amended as follows:

CCCN (formerly BTN)	Description	Unit of quantity	Customs duty Full	Preferential	Excise
By inserting immediately after the heading 19.08 800 the following chapter and heading:					
	Chapter 20 – Preparations of vegetables, fruit or other parts of plants:				
20.07	Fruit juices and vegetable juices, whether or not containing added sugar, but unfermented and not containing spirit:	1	Nil	Nil	Nil
By inserting immediately after the note to chapter 22, the following heading:					
22.02	Lemonade, flavoured spa waters and flavoured aerated waters, and other non-alcoholic beverages, not including fruit and vegetable juices falling within heading 20.07:				
200	Shandy not exceeding 20 per cent proof spirit	1	$10 per dal	$10 per dal	$8 per dal
By deleting the sub-heading 810 of heading 22.09 thereof and substituting therefor the following:					
810	Shandy exceeding 2 per cent but not exceeding 5 per cent proof spirit	1	$11 per dal	$11 per dal	$9 per dal

Inquiries: OTAR 01-248 5757 ext. 401/468/469.

Spain

Foreign investment. The Spanish *State Gazette*, 21 January, published royal decree 3099/1977. The aim of this decree is to attract foreign investment into Spain.

Under the provisions of the decree the direct investment of foreign capital is authorised in general terms for the purpose of establishing Spanish companies with more than 50 per cent of foreign capital, except in those cases where prior administrative authorisation is required for the installation. The foreign investments must be made from abroad by means of foreign capital equipment manufactured abroad, technical assistance and other means approved by the Spanish authorities. The paid-up capital at the time of establishing the company must not be less than 100 million pesetas. Also the Spanish company should not make payments in respect of technology to the foreign investors or to its subsidiary or associated companies, except in the case of services duly specified and justified, and in no case are the payments to be regular or related to the level of activity of the Spanish company.

In order to benefit from the royal decree the investment project must contain the following provisions which are binding for the company:

1 The company must create at least 100 jobs for permanent staff at the time of coming into operation;
2 After one year of operation the company must maintain a positive balance of foreign currency.

The balance of the foreign currency will be the difference between the foreign currency handed over to or obtained from the Spanish authorities, excluding for this purpose the funds received for the constitution of the capital of the company to loans received from abroad, or foreign currency spent in purchasing machinery and equipment to be used as fixed assets. When calculating this balance it will be possible to include loans received from the mother company which are to be returned at least three years later.

The decree provides that the capital of the company at the time of its incorporation may be less than 100 million pesetas providing that in the project of investment the export total after one year of operation is at least 50 per cent of turnover and the turnover figure not less than 100 million pesetas. The paid-up capital of the company may be less than 100 million pesetas when the company creates at least 1,000 jobs at the time of commencing production.

Direct investments are also authorised for Spanish companies in the process of increasing their capital through the purchase of shares and investment in the capital provided that:

1 The company creates 100 permanent jobs;
2 There is a positive balance of foreign currency for one year of production;
3 The total capital and reserves of the Spanish company is increased by at least 30 per cent and that at least 100 million pesetas is invested in the purchase of shares;
4 The Spanish company should only make payments for the technology as described.

Copies of the Spanish text are available.
Inquiries: CRE 01-215 3476.

Customs tariff modifications. The Spanish *State Gazette*, 4 February 1977, published royal decree 3264 and 3265/1976, modifying the Spanish customs tariff to read as follows:

Tariff heading	Description	Import duty
29.23	Single or complex oxygen-function amino-compounds:	
A	Amino-compounds with alcohol function and their halogenated, sulphonated, nitrated or nitrosated derivatives and their salts and esters:	25% (minimum 3 pesetas per net gramme)
2	1,1-phenyl-2-amine,1,3 propanediol, and their halogenated, sulphonated, nitrated, nitrosated derivatives, their salts and esters	
90.28	Electrical measuring, checking, analysing or automatic control instruments and equipment:	
C	Other	21.5%
6	Other	

Inquiries: OTAR 01-248 5757 ext. 462/471/472/473.

Customs tariff modifications. The Spanish *State Gazette*, 21 January 1977, published a number of royal decrees modifying the Spanish customs tariff.

Headings under the following chapters are affected:

23, 25, 84, 85, 88, 92

Further details are available from OTAR 01-248 5757 ext. 462/471/472/473.

Thailand

Special import fee on fibres and yarns. The government of Thailand has introduced Board of Investment notice 2/2520 whereby a special import fee of 30 per cent will have to be paid on the following items:

1 Discontinuous polyester fibre, under CCCN (formerly BTN) 56.01.
2 Continuous polyester filament yarn, continuous nylon filament yarn, and nylon stretched yarn, under CCCN 51.01 and 51.03.

The Office of Board of Investment shall determine which imports fall into this category.

This notice came into effect on 15 January 1977 and remains in force until 31 December 1977.

Inquiries: OTAR 01-248 5757 ext. 401/468/469.

Special import fee on fibres and yarns. The government of Thailand has introduced Board of Investment notice 1/2520 whereby a special import fee of 20 per cent will have to be paid on the following items:

1 Woven fabrics of cotton under CCCN (formerly BTN) 55.07a, 55.08a, 55.09b, 60.01a and 62.02 (only bath towels and handkerchiefs made of terry).
2 Woven fabrics of man-made fibres, namely polyester, nylon 6, viscose rayon, acrylic and polyester mixed with viscose rayon, under CCCN 51.04, 56.07, 60.01b and 62.02 (only bath towels and handkerchiefs made of terry).
3 Woven fabrics made of polyester fibre mixed with cotton under CCCN 51.04, 55.09c, 56.07, 60.01 (only bath towels and handkerchiefs made of terry).
4 Cotton yarns under CCCN 55.05 and 55.06.
5 Man-made fibres, namely polyester, nylon 6, viscose rayon, acrylic and polyester mixed with viscose rayon or acrylic cotton with nylon cotton under CCCN 56.05 and 60.06.

The office of Board of Investment shall determine which imports fall into this category.

This notice came into effect on 15 January 1977 and remains in force until 31 December 1977.

Inquiries: OTAR 01-248 5757 ext. 401/468/469.

United States

Imports of speciality steels under quota. Further to the notice which appeared in *Trade and Industry* on 18 February 1977, the following table, derived from statistics made available by the US Customs Service, shows the products which are subject to quotas, the US quotas on imports from the EEC for the 12 months 14 June 1976 to 13 June 1977, and US imports of the products concerned from the EEC during this period, as at 11 February 1977.

Pounds weight

Product	US import quotas for 12 months 14 June 1976 to 13 June 1977	US imports during this period as at 11 February 1977
Sheet and strips of stainless steel (item 923.20)	31,600,000	24,114,112
Plates of stainless steel (item 923.21)	5,800,000	Quota filled
Bars of stainless steel (item 923.22)	5,000,000	1,357,898
Wire rods of stainless steel (item 923.23)	14,800,000	Quota filled
Bearing steel (item 923.25)	7,000,000	2,290,737
Alloy tool steel (item 923.26)	6,800,000	6,053,662

Inquiries: CRE 01-215 5629.

Colour additives. In the *Federal Register*, 4 February, the Food and Drug Administration announced the postponement from 31 January 1977 of the closing dates for the use of 52 provisionally-listed colour additives, to enable further research on their use to be carried out.

Inquiries: 01-248 5757 ext. 456/457/7312.

Venezuela

Protection of local industry. Decree 2023 of 1 February 1977 announces changes in the regulations governing government purchases of foreign products. The new regulation states that central government, autonomous institutes, state enterprises and other state agencies are required to buy goods of local manufacture, provided that they are not more expensive than similar imported products on which duty charged is more than 20 per cent. The measure relates solely to direct imports by government organisations.

A copy of the decree, in Spanish, is available to British exporters from OTAR 01-248 5757 ext. 474/476.

Yugoslavia

Long-term co-operation. Yugoslav *Official Gazette* 47, October 1976, contained amendments to regulations on long-term co-operation between Yugoslav and foreign firms, that appeared in Yugoslav *Official Gazette* 7, February 1973. Unofficial translations of the original regulations and the amendments are available.

Inquiries: OTAR 01-248 5757 ext. 288.

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ENCIRCLE TI 407 ON PAGE 543 FOR FURTHER INFORMATION

Overseas trade exhibitions

Agricultural engineers sow seeds on US west coast

From Dick Thomson, British consulate-general, San Francisco

Tulare, situated at the heart of California, the United States, number one agricultural state, hosted the state's tenth annual farm equipment show from 8 to 10 February.

With a total crop value in 1976 of $8.6 billion, the state is a highly lucrative market for a wide range of farm equipment and British firms are increasingly turning their attention towards it.

It was appropriate, therefore, that four British companies sponsored by the Agricultural Engineers' Association and the British Overseas Trade Board should take part in the first ever joint venture at this show, the largest outdoor show of its kind in the United States. When the gates finally closed this year, a total of 115,160 visitors had seen $20 million worth of farming equipment shown by 692 exhibitors.

The main objectives of the British exhibitors were to gain more exposure for their products and, where necessary, to appoint local representatives for their equipment. Both British Leyland and Muir-Hill Ltd, who showed examples of their tractor ranges, initiated useful discussions with local distributors, while David Potter (Loddon) Ltd were happy to report the sale of all their exhibit comprising cattle feeding and weighing equipment. The fourth member of the group, Howard Rotavator Co Ltd, who have been selling in the United States since 1949, were encouraged by the high level of interest shown in their new range of combined rotary tiller/fertiliser spreader machines.

An information centre on the British stand was manned by Mr Lanning of the AEA who answered a steady stream of questions from the many farmers who visited the exhibits.

As the farmers returned to their farms the signs were bright that the first ever British exhibit at the Tulare show will result in more of them using British-made farming machinery in the future.

British exhibitors quietly confident at Nuremberg

From Pauline Sinkins, BOTB, in Nuremberg

In some ways the international toy fair at Nuremberg – this year, 5 to 11 February – is a fairy tale event. Its venue is like a model medieval township. The toy fair itself is an escape into a dream where everything is possible – provided it is on a miniature scale.

The fairy-tale comparison ends abruptly with the hard realities of toy manufacture. The British toy industry – recognising the vast potential in the booming birth rate after the second world war and the scarcity of toys from the war years – began to gear itself up, and today it is one of the most efficient in the world. In 1976 the value of British toy exports is expected to top £72 million, compared with £61.5 million in 1975.

At this year's twenty-eighth toy fair, Britain had the largest foreign contingent, with 59 companies in a special British group exhibit sponsored jointly by the British Overseas Trade Board and the British Toy Manufacturers Association.

There was a mood of quiet confidence among the British exhibitors at Nuremberg. Although the organisers' statistics quoted a figure of almost 31,000 visitors to the fair – an increase of 6.6 per cent over last year's figure, it was not a recordbreaker as far as the British group was concerned. However, many exhibitors attributed this to the resounding success of the British toy and hobby fair in January at the National Exhibition Centre, Birmingham, where companies reported unprecedented export business, with buyer-attendance figures breaking all records. British toy manufacturers had displayed their new product lines at Birmingham and had met and done business with foreign buyers whom they would normally have waited to see at Nuremberg. John Glanfield, organiser of both the Birmingham fair and the British contingent at Nuremberg, said the toy industry found this a very encouraging trend. It demonstrated for the first time Britain's ability to stand on level terms with other international toy fairs.

Nonetheless, many British exhibitors at Nuremberg did remarkably well. Tri-ang Pedigree, a familiar name in the toy world, reported an increase of 700 per cent in the value of business this year compared with last year, with substantial orders coming from Holland, Portugal and Lebanon.

A comparative newcomer to the industry – though one which, judging by its success at Nuremburg, is likely to become well-known very quickly – is Mind Movers Ltd of Chelsea. The company markets ingenious, handy-sized games and Mr B. C. Pullman, managing director, was delighted with the response from buyers at the fair. He said, that they had over 250 serious inquiries during the event, with at least 60 inquiries from German buyers alone. 'We took firm orders from places as far flung as Finland, Singapore and Hong Kong and I would estimate that we sold at least 200,000 games,' he said.

A new development at the Nuremberg toy fair this year, and one which is as true for toys as it is for many other industries, was the strong interest from the Middle East, particularly Saudi Arabia, Kuwait and the Lebanon. But British toys go well all over the world, and although it may be difficult to imagine Icelandic or Moroccan toddlers cuddling traditional British teddies, there were buyers from those countries on British stands too.

Exporting is vital for the British toy industry as the domestic market begins to stagnate with the falling birth rate. But, given the remarkable revitalisation that has already taken place in the 1970s, the future looks promising indeed for exports.

UK dart firms hit Chicago's bull

From Norman Olson, British consulate-general, Chicago

While still in the depths of the record-breaking winter that has plagued the eastern half of the United States, Chicago was host to the forty-eighth annual National Sporting Goods Association convention and show which was held in the McCormick Place exhibition center from 3 to 6 February. Despite the cold and snow, some 1,686 exhibiting companies took over 379,737 sq ft net of exhibit space to show their sports products to an international trade audience. The NSGA exhibition, which is not open to the public, reported an attendance of 48,975 including pre-registration.

A record number of 46 British firms participated at the show in a joint venture sponsored by the British Overseas Trade Board, the Federation of British Manufacturers of Sports and Games and the Camping Trades Association of Great Britain.

In addition to the British sections there were group exhibits from Australia, Belgium, Canada, France, West Germany, Hong Kong, India, Italy, New Zealand, Spain and Taiwan. A special international businessmen's center was set-up to service the large number of overseas guests.

Perhaps the largest percentage sales gains in the British sports group exhibit were made by the dart companies: Unicorn Products Ltd, Tru-Lon Dart Products, Kwiz Darts Ltd and Chilham Dart Products. Norton International found there is interest in the high-quality health studio equipment and several major American competitors paid compliments to the excellent golf clubs from Geo. Nicoll of Scotland.

Exhibiting on the upper level of McCormick Place, the Camping Trades Association had a strong representation in back packing and mountain-climbing apparel and equipment.

United States purchases of sporting goods have increased to over $11 billion in 1976. During the first half of the 1970's, the growth rate of the sporting goods industry showed an annual gain of approximately 10 per cent. This growth has however slowed to 2 to 3 per cent in 1976 but should increase in 1977 as economic conditions improve.

The Federation of British Manufacturers of Sports and Games and the Camping Trades Association of Great Britain has already reserved exhibit space at the 1978 NSGA convention and show which will be held at the Astrohall and Astrodome in Houston, Texas 26 to 29 January.

Shorter salon pulls in the buyers

From Robert Hyde, British embassy, Paris
Pictured on the British joint venture stand at the 63rd Paris jewellery and giftware salon held from 16 to 20 January are (left to right) George Finlayson, British embassy, Mr J. Bernhardt, délégué général of the salon, and Mme Hirsch, president, directeur-general Société Damay. Eight UK firms took part in this joint venture, the first to be sponsored by the British Ceramic Manufacturers' Association at the salon. The January session of this attractive exhibition was held for only five days this year, compared with nine days in the past. This change was justified by the excellent attendance figures; international buyers in the first two days alone were nearly three times as many as in the corresponding period in 1976. The salon continues to develop impressively, and to consolidate its standing as one of the world's leading exhibitions in its field.

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Leipzig Fair
German Democratic Republic

13/20 March 1977

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Overseas trade export successes

Davy signs £37m Brazilian steelworks contract

A contract has been signed between Aco Minas Gerais SA (Acominas) and Davy Ashmore International Ltd, part of Davy International Ltd, for the supply of a blast furnace plant for Ouro Branco in the state of Minas Gerais. The furnace will be capable of producing 5,300 tons of iron a day.

The value of the contract is £37 million; 70 per cent of the equipment will be manufactured in the UK and 30 per cent in Brazil.

This is the first of a package of contracts to be negotiated over the next few weeks between Acominas and Davy, and they are expected ultimately to reach a total of some £300 million in value, of which some £150 million to £200 million will comprise UK exports.

Further information: circle 90

Hovermarine Transport's contract with Nigeria

Hovermarine Transport has signed the largest single contract in the firm's history – nearly £2 million – for the supply of Hovermarines and related technical, advisory and management service. The contract is with the federal government of Nigeria who plan to utilise the Hovermarines, designated HM-2 Mk 4, as a supplement to the mass-transit development programme in Lagos, the capital city.

The federal Ministry of Transport expects to make extensive use of the natural waterways in the Lagos area, and develop a marine mass-transit system, using Hovermarines, to complement the road network, which is overloaded due to the unprecedented increase in the number of vehicles throughout the country, particularly in Lagos.

Further information: circle 91

ICL gains first university 2960 order outside UK

International Computers has achieved its first 2900 order in Holland and its first 2960 university order outside the UK. The contract valued at just under £1 million, was placed by the University of Tilburg.

The new system will be delivered to the university in August and will work under ICL's VME/B operating system.

The new machine will replace the university's current ICL 1903T. One of the main tasks will be the provision of a day-time cafeteria service for Algol and Fortran compilations for the university's 5,000 students and this will be augmented later by a comprehensive multi-access system. In addition there will be statistical work, linear programming and a large volume of administrative work.

Further information: circle 92

Desalination plants for Middle East

A letter of intent has been issued authorising Weir Westgarth of Glasgow, a member of the Weir Group, to start work on six Middle East sea-water desalination plants valued at more than £50 million.

The project is the largest ever undertaken by a company of the Weir Group and will be among the largest single export orders of any kind ever awarded to a Scottish company.

The plants, for the Emirate of Dubai, and the United Arab Emirates, will form part of a new aluminium-smelting and power-station complex being built for the Dubai Aluminium Co Ltd by British Smelter Constructions Ltd near the Gulf port of Jebel Ali. This initial installation will provide a total of 114,000m³ of fresh water a day for drinking and for industrial use in the smelter complex.

Further information: circle 93

Cooling by Covrad

Covrad, of Coventry, has won two export orders worth over £1 million to supply air-blast cooling equipment for the Middle East.

The equipment will be used in conjunction with power generation equipment which is currently under construction in the United Arab Emirates and Iran to increase the supply of domestic and industrial electricity.

Further information: circle 94

UK pumps for Europe's largest oil terminal

Sigmund Pulsometer Pumps, a member of the Reading-based SPP Group, has been awarded a contract valued at more than £300,000 to supply fire-protection pumps for the new Sines oil terminal now under construction in Portugal.

Situated south of Lisbon and planned to serve as a distribution point for Middle East oil destined for countries throughout northern Europe, it will be the largest terminal of its kind in the whole of Europe.

The largest SPP pumps to be supplied are all of the vertical type, designed to handle seawater at a rate of 360m³/hr. Three smaller vertical pumps are also to be supplied under the contract, which is scheduled to be completed within nine months.

Further information: circle 95

Dowty lights Swiss turbines

Dowty spill burners have been chosen for the fuel system of the Swiss-built Sulzer Type 3 and Type 7 gas-turbine engines. Dowty Fuel Systems of Cheltenham who manufacture the patented spill burners, have won an initial export order worth £75,000 from Sulzer Brothers of Switzerland, one of the world's foremost producers of industrial gas turbines.

The burners are to be fitted in Sulzer gas turbines, which will be used in the Middle East to drive pumps in a 600-mile oil pipeline, and to power electric generators.

Further information: circle 96

Export orders for cement bags

Lolift of Knaresborough has won £785,000 worth of export orders in six months from Mediterranean cement shippers.

The orders are for Lolift 1-tonne-capacity bags which have been specially modified for carrying cement in intermediate-bulk form. The outer body of the bags is made from immensely strong woven polypropylene, which allows them to be stacked three high. An inner liner of polythene is also incorporated to protect the cement from contamination and dampness. Heavy-duty polythene is used in order to withstand the heat – sometimes as much as 80°C – of newly loaded cement.

Further information: circle 97

Storage tanks for Algeria

Armour Engineering of Derby has been awarded a contract to supply six large-capacity, water-storage tanks by Austin Europe SA, Paris. The tanks, of bolted construction, will be erected by Armour at the Sonelec Project, Sidi Bel Abbes, Algeria. The order is worth approximately £250,000 and will be completed by mid-1977.

Further information: circle 98

Freepost reader service

For further information on items in this section, circle the corresponding number on the reader services page near the end of the magazine.

Statistics

The economy: selected indicators

Series are seasonally adjusted except where shown otherwise

	Gross domestic product (average estimate)	Consumers' expenditure	Fixed capital expenditure			Changes in stocks				Balance of payments		
			Total	of which: Manufacturing industry	of which: Distributive and service industries excl. shipping	Total	of which: Manufacturing industry	of which: Wholesalers	of which: Retailers	Current balance	Visible balance	Invisible balance
	at 1970 prices		at 1970 prices			at 1970 prices				at current prices		
Base of index Series in Stock level at end-1975	1970	£ million	£ million			£ million 18,209	10,399	1,807	1,976	£ million		
1970	100	31,644	9,453	2,130	1,799	442	325	68	−14	733	−25	758
1971	102	32,505	9,681	1,991	1,930	99	−148	52	22	1,084	280	804
1972	104	34,402	9,870	1,739	2,071	39	−145	48	15	154	−702	856
1973	110	35,935	10,279	1,872	2,362	1,127	404	102	382	−736	−2,334	1,598
1974	110	35,612	10,087	2,024	2,251	604	666	81	−111	−3,323	−5,220	1,897
1975	108	35,374	9,967	1,737	1,964	−699	−392	−111	−23	−1,641	−3,189	1,548
1976		35,571 pe								−1,546	−3,631	2,085
1974 2nd qtr.	111	8,814	2,436	502	562	321	197	43	19	−868	−1,373	505
3rd qtr.	112	8,956	2,476	501	548	330	358	3	−39	−749	−1,235	486
4th qtr.	111	8,989	2,581	511	550	58	133	17	−53	−852	−1,288	436
1975 1st qtr.	110	8,989	2,533	471	497	−126	18	−31	−38	−544	−947	403
2nd qtr.	108	8,851	2,460	444	495	−269	−105	−54	−66	−330	−654	324
3rd qtr.	107	8,776	2,528	416	496	−214	−234	−29	38	−531	−965	434
4th qtr.	108	8,758	2,446	406	476	−90	−70	4	43	−236	−623	387
1976 1st qtr.	109	8,876	2,427	402	460	38	31	23	12	−109	−554	445
2nd qtr.	108	8,812	2,343	408	474	−118	−115	−22	−55	−466	−937	471
3rd qtr.	108	8,928	2,444	411	472	−27	5	3	22	−584	−1,153	569
4th qtr.		8,990 pe								−387	−987	600
% change last 2 qtrs. on prev. 2 qtrs.	0.0	+1.3	−1.8	+1.4	+1.1							
on a year earlier	+1.3	+2.2	−4.0	−4.8	−4.5							

	Industrial production		Personal expenditure		Prices and costs (NOT seasonally adjusted)					Labour (UK)			Visible Trade (Volume)	
	Total all industries	Total manufacturing industries	Retail sales	Cars: new registrations	Retail prices	% increase on a year earlier	Wholesale prices: all manufacturing industry: basic materials and fuel used	Wholesale prices: all manufacturing industry: manufactured products home sales	Basic hourly wage rates of manual workers (all industries and services)	Unemployed excluding school leavers and adult students: mid-month count	Unemployed excluding school leavers and adult students: % of total employees	Unfilled vacancies for adults: mid-month count	Export	Import
	at 1970 prices		at 1971 prices	monthly averages									On a balance of payments basis at 1970 prices	
Base of index £m in base year Series in	1970	1970	1971 15,895	thousands	Jan. 1974		1970	1970	July 1972	thousands		thousands	1970 7,907	1970 7,932
1971	100.5	99.7	100.0	108.5	153.4†	9.4	104.6	109.0	88.9	775.8	3.4	130.9	106.7	104.2
1972	102.7	102.4	105.8	138.6	164.3†	7.1	109.2	114.8	101.4	854.9	3.7	147.3	106.6	116.3
1973	110.3	110.0	110.7	137.1	179.4†	9.2	144.5	123.2	115.6	611.0	2 6	307.0	121.8	133.9
1974	106.4	108.2	109.9	102 8	108.5	16.0	215.3	152.0	138.7	599.5ø	2.6ø	302.2ø	130.1	135.2
1975	101.2	101.7	107.9	97.2	134.8	24.2	235.4	188.7	179.8	929.0	3.9	148.2ø	124.9	125.6
1976	102.2	103.3	108.1	104.7			299.0 p	219.6 p					134.8	133.3
1975 2nd qtr.	100.3	100.5	109.2	93	133.6	24.3	225.6	186.3	176.3	847.4	3.6	164.4	122.0	121.2
3rd qtr.	99.6	99.7	105.4	103	139.4	26.6	239.3	193.4	185.5	1,000.0	4.2	133.6	120.6	127.5
4th qtr.	100.4	100.4	105.7	89	144.2	25.3	256.1	199.1	193.8	1,132.1	4.8	113.6	128 9	126.5
1976 1st qtr.	102.1	102.0	107.3	103	149.4	22.5	266.5	206.9	205.5	1,223.2	5.2	115.5	130.3	124.9
2nd qtr.	102.4	103.5	107.6	106	154.9	16.0	292.6	214.4	212.8	1,246.5	5.3	119.6	135.9	134.7
3rd qtr.	101.5	103.4	108.9	97	158.5	13.7	306.8	223.2	218.6	1,307.5	5.5	124.7	133.1	136.6
4th qtr.	102.9	104.2	108.5	113			329.9 p	233.9 p					139.9	137.2
1976 Jan.	101.4	101.8	110.2	105	147.9	23.4	261.5	204.8	202.1	1,210.5	5.1	111.1	130.3	126.0
Feb.	102.7	102.2	106.6	101	149.8	22.9	263.9	207.3	206.4	1,232.4	5.2	113.5	128.4	126.1
Mar.	102.2	102.1	105.4	102	150.6	21.2	274.2	208.6	207.9	1,226.6	5.2	122.0	132.2	122.5
Apr.	102.3	103.2	108.8	116	153.5	18.9	286.3	211.5	210.1	1,233.7	5.2	123.9	134.3	130.6
May	104.5	106.4	106.8	110	155.2	15.4	292.0	214.8	211.7	1,250.0	5.3	120.6	136.0	137.3
June	100.4	100.9	107.3	91	156.0	13.8	299.6	217.0	216.6	1,255.7	5.3	114.3	137.5	136.2
July	101.4	103.6	108.8	91	156.3	12.9	302.0	219.8	219.0	1,294.6	5.5	117.6	129.5	139.2
Aug.	100.6	102.4	108.9	115	158.5	13.8	304.0	223.4	219.1	1,309.4	5.6	127.5	133.8	131.4
Sept.	102.4	104.2	108.9	86	160.6	14.3	314.4	226.3	219.2	1,318.6	5.6	129.0	136.2	139.3
Oct.	102.8	104.8	108.1	109	163.5	14.7	327.7	230.0	219.5	1,305.4	5.5	126.2 p	139.8	140.4
Nov.	103.1	104.5	109.2	119	165.8	15.0	331.8	234.6	220.7	..	..	..	137.7	138.8
Dec.	102.8	103.2	108.3	111	168.0	15.1	330.1 p	237.2 p	221.5	1,330.0	5.6 e	..	142.3	132.3
1977 Jan.			108 p	95 p	172.4	16.6	338.2 p	244.9 p	223.5 p	1,338.2	5.6	..	140.0 p	153.7 p
Feb.										1,331.4	5.6	150.5		
% change latest 3 months on prev. 3 months	+1.4	+0.7	−0.2	+4.8	+4.9		+5.7	+5.4	+1.2	+1.5			+2½	+3½
on a year earlier	+2.5	+3.8	+1.2	+14.8	+15.5		+28.6	+18.4	+11.7	+10.6			+8¾	+12½

p Provisional pe Preliminary estimate † Base of index Jan. 1962 = 100 .. not available ø Average of 11 months e estimate

Inquiries: 01-215 3453

Hosiery and other knitted goods: index of production

In the three months ended November 1976 the volume of production of hosiery and other knitted goods, seasonally adjusted (including knitted fabrics), was provisionally estimated to have been 5 per cent more than in the three months ended November 1975.

In using the index numbers shown in the table, it should be borne in mind that, when price increases are large, the various problems associated with constructing a constant value series become more acute. Because of these difficulties the relative accuracy of the estimates is likely to have been reduced in recent months. The actual figures allow for differences in the length of calendar months, but not for other seasonal variations.

Hosiery and other knitted goods

1970 = 100

1968	88
1969	98
1970	100
1971	99
1972	99
1973	103
1974	100
1975	96

Including warp knitting

		Actual	Seasonally adjusted
1974	1st quarter	91	98
	2nd quarter	103	105
	3rd quarter	97	101
	4th quarter	108	95
1975	1st quarter	87	96
	2nd quarter	95	94
	3rd quarter	94	98
	4th quarter	109	97
1976	1st quarter	90	98
	2nd quarter p	94	95
	3rd quarter p	101	105
1975	April	89	92
	May	92	95
	June	104	97
	July	84	97
	August	87	98
	September	109	98
	October	121	100
	November	123	101
	December	84	90
1976	January	85	106
	February	94	97
	March	91	90
	April p	91	99
	May p	96	98
	June p	95	88
	July p	93	106
	August p	97	108
	September p	113	101
	October p	132	109
	November p	126	103

p = provisional.

Inquiries: Tel. 01-212 0017 or 01-212 6474.

Index of retail prices, January

The index of retail prices for all items for 18 January 1977 was 172.4 (15 January 1974 = 100). This represents an increase of 2.6 per cent on December 1976 (168.0) and of 16.6 per cent on January 1976 (147.9).

The rise in the index in January was due to increases in the prices of most foods, particularly milk and vegetables; to increases in the prices of alcoholic drink, cigarettes and tobacco arising from the December 1976 Budget changes in indirect taxation; to increases in motoring costs and passenger fares; and to increases in the prices of many household and other goods and services.

The movements for the main groups of the index are shown in Table 2.

TABLE 1

	All items			All items except seasonal foods		
	Index 15 Jan. 1974 = 100	Percentage change over 1 month	Percentage change over 12 months	Index 15 Jan. 1974 = 100	Percentage change over 1 month	Percentage change over 6 months
1976						
August	158.5	+1.4	+13.8	158.5	+1.1	+6.4
September	160.6	+1.3	+14.3	160.0	+0.9	+7.0
October	163.5	+1.8	+14.7	162.8	+1.8	+7.0
November	165.8	+1.4	+15.0	164.8	+1.2	+6.9
December	168.0	+1.3	+15.1	166.8	+1.2	+7.3
1977						
January	172.4	+2.6	+16.6	170.9	+2.5	+9.0

TABLE 2 **General index of retail prices**

	Indices (15 January 1974 = 100)		Percentage change over the month
	14 Dec. 1976	18 Jan. 1977	
All items	168.0	172.4	+2.6
All items excluding food	165.6	169.3	+2.2
Food	176.1	183.1	+4.0
Seasonal food	202.1	214.8	+6.3
Other food	171.4	177.1	+3.3
Alcoholic drink	166.9	173.7	+4.1
Tobacco	179.7	193.2	+7.5
Housing	153.6	154.1	+0.3
Fuel and light	196.7	198.8	+1.1
Durable household goods	151.8	157.0	+3.4
Clothing and footwear	146.8	148.5	+1.2
Transport and vehicles	176.4	178.9	+1.4
Miscellaneous	170.8	176.2	+3.2
Services	164.8	166.8	+1.2
Meals out	169.1	172.3	+1.9

Index of industrial production for December 1976

The provisional estimate for the total all-industries' index in December 1976 is 102.8 and that for manufacturing alone is 103.2 (1970 = 100).

Output rose in the last few months of 1976 after changing little in the summer.

It is provisionally estimated that, before any adjustment to allow for the use of delivery indicators (see below), the average levels of the all-industries' index and the corresponding index for manufacturing industries in the fourth quarter of 1976 were nearly 1½ per cent and about ½ per cent respectively above their levels for the third quarter. The analysis by broad market sectors shows that, over the same period, the output of the intermediate goods industries rose by 3 per cent, the output of the consumer goods industries rose by nearly 1 per cent, and the output of the investment goods industries was little changed.

On a longer term comparison, the all-industries' index in the latest three months was 2½ per cent above its level in the same period a year ago, the corresponding rise for manufacturing was about 3½ per cent.

The use of series for some industries which measure deliveries rather than production has resulted in the all-industries' index understating the level of output in the first quarter of 1976 by about ¼ per cent, and overstating it by about ¾ per cent in the second and third quarters.

The index numbers are all seasonally adjusted. The seasonal adjustment process is designed to remove annually recurring month-to-month variations due, for example, to the incidence of holidays. The adjustments, however, can in general only be derived from analysis of past experience, and may not therefore be completely appropriate when holiday patterns change sharply. The introduction of a public holiday on New Year's Day seems to have led to more shutdowns of industrial plant in the last week of December and early in January.

Similarly, there is some unquantifiable evidence to suggest that some industrial establishments took holidays at the beginning of June 1976, immediately following the spring bank holiday on 31 May in recent years most of such holidays would have fallen in May. The seasonal adjustment process may not yet have fully reflected these changing holiday patterns.

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Index of industrial production

Seasonally adjusted — 1970 = 100

	Total all industries	All industries other than construction	Mining and quarrying	Manufacturing industries												
				Total	Food, drink and tobacco					Engineering and allied industries						
					Total	Food	Drink and tobacco	Coal and petroleum products	Chemicals and allied industries	Total	Mechanical engineering	Instrument engineering	Electrical engineering	Shipbuilding and marine engineering	Total vehicles	Metal goods n.e.s.
Weights	1,000	850	37	745	84	52	32	7	58	319	100	15	67	16	73	48
1971	100.5	100.1	100.0	99.7	100.6	99.9	101.7	103.3	102.1	99.4	100.2	100.8	101.7	96.6	100.2	93.6
1972	102.7	102.4	84.1	102.4	104.9	104.0	106.4	102.5	108.1	100.1	95.0	93.0	110.2	91.8	104.2	95.7
1973	110.3	110.8	92.6	111.0	109.3	106.3	114.2	110.0	120.9	108.8	103.4	101.7	125.2	95.1	107.1	103.2
1974	106.4	107.9	78.8	108.2	109.9	104.5	118.8	106.0	127.9	106.7	103.4	104.9	120.6	98.9	102.5	103.9
1975	101.3	102.6	86.0	101.7	108.6	101.1	121.0	92.0	116.3	101.8	102.0	101.1	113.1	99.4	96.2	94.9
1976	102.2	104.4	89.2	103.3	110.3	103.0	122.4	96.4	127.9	99.6	97.6	102.2	111.3	97.9	95.9	92.5
1975 2nd qtr	100.3	101.5	85.4	100.5	106.9	99.0	119.8	91.6	113.2	101.5	103.5	104.9	112.8	99.9	92.8	94.4
3rd qtr	99.6	100.5	84.4	99.7	108.5	99.3	123.7	92.3	112.6	100.0	100.2	99.4	111.7	98.0	95.3	91.4
4th qtr	100.4	101.8	86.8	100.4	110.8	104.7	120.8	88.2	120.0	98.5	99.9	95.4	107.3	99.5	94.3	90.2
1976 1st qtr	102.1	103.6	87.6	102.0	106.5	101.1	115.3	94.5	124.2	99.2	99.1	97.8	108.0	99.3	95.8	92.4
2nd qtr	102.4	104.5	89.3	103.5	112.2	105.2	123.8	96.5	126.9	100.3	99.7	103.9	111.3	99.0	95.7	92.8
3rd qtr	101.5	104.0	86.9	103.4	112.6	103.3	127.9	96.2	128.9	99.2	96.7	103.4	112.0	97.3	95.6	91.5
4th qtr	102.9	105.6	93.2	104.2	110.0	102.3	122.7	98.4	131.5	99.5	94.9	103.9	113.9	95.8	96.5	93.4
1975 Oct	100.6	102.0	87	100.8	110	103	122	93	119	99	100	96	106	101	93	91
Nov	100.8	102.2	87	100.9	110	104	120	85	119	99	100	95	107	99	97	91
Dec	99.9	101.1	86	99.6	112	106	121	87	122	98	100	95	107	99	94	88
1976 Jan	101.4	102.7	90	101.8	103	99	110	91	121	99	99	96	107	99	94	95
Feb	102.7	104.3	87	102.2	106	101	113	94	124	99	99	98	108	100	98	92
Mar	102.2	103.7	86	102.1	111	103	123	98	127	99	100	100	109	99	95	91
Apr	102.3	104.4	90	103.2	113	105	124	99	126	100	100	103	111	99	95	91
May	104.5	106.9	89	106.4	112	107	121	92	126	103	100	104	111	100	102	99
Jun	100.4	102.1	89	100.9	112	103	126	98	129	98	99	105	112	98	91	87
Jul	101.4	104.0	85	103.6	112	104	127	95	126	101	97	103	111	98	104	88
Aug	100.6	103.0	87	102.4	112	103	126	91	127	98	97	103	112	97	89	94
Sep	102.4	105.1	88	104.2	114	104	131	103	133	99	96	103	113	97	94	92
Oct	102.8	105.5	91	104.8	110	104	119	101	128	100	95	104	113	96	98	96
Nov	103.1	105.3	94	104.5	111	103	123	98	135	100	95	104	114	96	98	91
Dec	102.8	105.4	95	130.2	110	99	127	96	131	99	94	104	114	95	93	94
% change latest 3 months on previous 3 months	+1.4	+1.5	+7.2	+0.7	−2.3	−1.0	−4.1	+2.3	+2.0	+0.3	−1.9	+0.5	+1.7	−1.6	+1.0	+2.1
on a year earlier	+2.5	+3.7	+7.4	+3.7	−0.2	−2.3	+1.5	+11.5	+9.6	+1.0	−5.0	+8.9	+6.1	−3.7	+2.4	+3.6

	Manufacturing industries (continued)													Construction	Gas, electricity and water
	Metal manufacture			Textiles, leather and clothing				Bricks, pottery, glass, etc							
	Total	Ferrous	Non-ferrous	Total	Textiles	Leather, leather goods and fur	Clothing and footwear	Total	Bricks, cement, etc	Pottery and glass	Timber, furniture, etc	Paper, printing and publishing	Other manufacturing industries		
Weights	57	43	14	76	49	3	24	27	17	10	22	64	31	146	72
1971	91.3	89.8	95.8	102.2	100.6	103.0	105.4	108.1	107.0	109.8	103.0	97.3	99.8	103.0	103.9
1972	91.4	89.4	97.3	104.5	102.9	104.5	107.8	115.2	115.1	115.3	113.5	102.6	104.3	104.4	111.4
1973	100.0	97.3	108.5	110.1	108.6	101.1	114.6	126.0	123.7	129.5	132.6	112.1	116.6	107.5	118.1
1974	91.7	87.7	104.2	103.1	99.2	94.9	112.2	116.6	108.3	129.5	112.1	108.8	114.5	98.2	118.6
1975	78.6	74.2	92.2	99.5	93.8	92.9	112.2	107.8	99.7	120.5	110.5	95.7	105.5	93.5	120.5
1976	85.0	81.7	95.2	101.4	97.2	96.3	110.8	110.5	102.2	123.6	112.2	98.3	113.7		123.6
1975 2nd qtr	75.7	70.8	90.8	98.6	93.7	90.0	109.8	105.4	98.1	116.9	109.5	94.8	103.0	93.8	119.2
3rd qtr	72.1	66.6	89.2	98.7	92.8	93.4	111.7	105.3	97.1	118.3	109.0	93.1	104.5	94.4	117.0
4th qtr	75.5	70.8	90.2	99.5	94.5	98.2	110.0	107.8	99.1	121.3	111.4	93.8	105.4	92.5	123.6
1976 1st qtr	83.3	79.9	94.1	102.3	98.5	98.7	110.5	111.0	104.2	121.7	111.2	96.3	111.2	93.4	128.0
2nd qtr	87.8	84.9	96.8	98.7	95.2	92.9	106.6	108.4	100.8	120.3	110.9	98.4	111.6	90.8	121.8
3rd qtr	84.7	81.5	94.3	101.0	96.6	94.7	110.9	112.2	102.3	127.9	111.4	98.6	112.5	86.7	118.6
4th qtr	84.3	80.8	95.3	103.7	98.4	99.1	115.1	110.4	101.4	124.4	115.3	99.9	119.5		126.0
1975 Oct	81	77	92	100	94	98	111	108	100	121	112	95	103		123
Nov	78	74	89	101	96	98	109	107	98	121	112	93	109		123
Dec	68	61	89	98	93	98	110	108	100	122	110	93	105		125
1976 Jan	88	86	95	107	104	99	115	107	102	115	113	96	108		119
Feb	82	78	94	102	99	99	110	113	104	125	112	97	112		135
Mar	80	75	93	97	93	99	106	113	106	125	109	96	113		130
Apr	85	81	96	98	96	93	104	109	102	119	111	99	111		124
May	102	101	108	103	99	93	113	109	101	123	117	99	114		121
Jun	76	73	87	94	91	93	102	108	100	120	105	96	110		121
Jul	86	82	97	100	96	95	108	113	101	131	111	100	107		117
Aug	86	84	91	101	96	95	110	110	101	124	111	98	108		117
Sep	82	78	94	103	98	95	114	114	105	128	113	98	122		122
Oct	90	86	101	103	98	99	115	109	101	120	121	102	117		119
Nov	85	84	89	102	97	99	112	112	101	128	113	98	122		126
Dec	78	72	96	105	100	99	118	111	102	125	112	100	119		133
% change latest 3 months on previous 3 months	−0.4	−0.9	+1.1	+2.6	+1.8	+4.6	+3.8	−1.7	−0.9	−2.7	+3.5	+1.3	+6.3		+6.2
on a year earlier	+11.6	+14.1	+5.7	+4.2	+4.1	+0.9	+4.7	+2.4	+2.3	+2.6	+3.5	+6.5	+13.4		+1.9

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Book values of overseas direct investments

The book value of United Kingdom net direct investments overseas, excluding oil, banking and insurance, amounted to about £10,100 million at the end of 1974, while that of corresponding foreign net direct investments in the UK totalled about £6,600 million at the same date. These are the overall results of an inquiry into the book values of overseas net direct investments at the end of 1974 which brings up to date the previous estimates based on inquiries at the end of 1962, 1965, 1968 and 1971, the last of which was reported in *Trade and Industry* on 15 November 1973. The results replace previously published estimates which were extrapolated from the end-1971 figures, the figure for UK net direct investment overseas being revised downward by some 9 per cent and that for foreign net direct investment in the UK being revised upward by 22 per cent. A fuller account of the causes of these revisions is given in the section on Revisions towards the end of this article.

Book values of net assets, which at present usually reflect the historic cost of investments made at various past dates, will tend to underestimate the current values of net assets, particularly during periods of high inflation and may not always reflect changes caused by exchange rate fluctuations. This should be borne in mind when assessing the results given in the article. However, book values are the only values which are readily available.

The inquiry covered both the direct investments abroad of UK enterprises (outward investment) and the direct investments in the UK of overseas enterprises (inward investment). All industrial and commercial investments, other than those of oil companies, were covered. Because of problems of definition, banking and insurance investments (which are included in the annual figures of the flow of direct investment and the earnings on it) were not covered. The inquiry is a voluntary one and the Department of Industry would like to express its appreciation of the co-operation of respondent firms, which numbered in total about 2,750. A full account of the scope of the inquiry and problems associated with valuation are included in the Notes and Definitions at the end of the article.

TABLE 1 Outward Investment: Values of direct outward investments by area and country, 1962-74. Book values of net assets attributable to the United Kingdom at year ends in £ million

	1962	1965	1968	1971	1974
WESTERN EUROPE	455.4	647.3	984.7	1,461.5	2,781.1
EEC	272.9	392.2	628.9	985.2	2,196.5
Belgium and Luxembourg	62.1	67.7	112.3	149.7	290.2
Denmark					72.2
France	84.1	117.6	180.5	247.5	459.5
German Federal Republic	65.0	110.8	179.3	305.7	626.6
Irish Republic					312.1
Italy	33.8	39.8	60.3	93.0	198.6
Netherlands	27.9	56.3	96.5	189.3	237.3
EFTA	82.8	114.5	152.7	192.2	377.2
Austria	3.3	5.0	6.9	14.2	81.4
Denmark	11.0	17.0	27.4	26.9	
Finland	2.9	5.3	5.4	7.5	13.8
Norway	8.8	10.5	11.3	14.5	23.1
Portugal	27.2	32.9	28.2	35.4	52.0
Sweden	10.9	17.0	29.9	38.4	93.9
Switzerland	18.7	26.8	43.6	55.3	113.0
Other Western Europe	99.7	140.6	203.1	284.1	207.4
Cyprus	0.9	1.0	2.8	3.7	4.2
Gibraltar	1.0	1.6	2.5	2.1	27.4
Greece	1.2	2.5	4.2	6.7	7.7
Irish Republic	67.2	93.0	119.0	179.6	
Malta	1.7	2.8	4.1	6.4	8.2
Spain	24.9	36.1	60.0	80.4	151.8
Turkey	2.5	3.0	3.6	5.2	8.0
West Europe nsd	0.3	0.6	6.9		
NORTH AMERICA	785.3	919.0	1,286.9	1,465.7	2,214.5
Canada	484.0	531.4	686.9	671.0	941.2
USA	301.3	387.6	600.0	794.7	1,273.3
OTHER DEVELOPED COUNTRIES	922.9	1,259.1	1,722.6	1,984.7	2,968.2
Australia	520.4	712.9	966.4	1,137.5	1,747.2
Japan	4.0	5.9	11.0	15.9	39.7
New Zealand	108.5	137.1	139.7	155.7	184.0
South Africa[1]	290.0	391.7	585.6	651.7	997.2
Other countries nsd	—	11.5	19.9	23.9	
REST OF THE WORLD	1,241.4	1,384.6	1,591.1	1,755.0	2,154.0
Africa	413.6	404.8	480.3	594.9	737.5
Ghana	53.2	53.4	59.0	73.0	54.8
Kenya	47.0	43.2	53.7	60.5	88.1
Liberia[3]					5.4
Libyan Arab Republic	3.2	2.2	2.5	1.2	0.7
Malawi[3]		8.4	10.5	19.5	19.4
Mauritius[4]	2.0	1.5	2.2	4.2	2.2
Nigeria	92.8	94.7	93.6	155.6	198.7
Rhodesia		62.0	81.1	78.7	113.6
Seychelles					6.8
Sierra Leone	14.5	20.1	25.9	25.0	18.5
South West Africa					6.5
Tanzania	7.7	9.3	10.1	6.7	7.3
Uganda	5.8	8.0	9.4	7.6	1.4
Zaire[5]					5.1
Zambia[3]		7.8	25.6	36.5	57.8
Commonwealth Africa nsd and unallocated	104.3	0.6	1.1	10.6	15.9
Other Africa nsd and unallocated	83.1	93.6	105.6	115.8	135.3
ASIA	543.4	609.1	649.5	707.5	932.2
Middle East	14.2	18.9	26.9	32.4	63.8
Iran	1.3	0.3	4.8	5.9	12.0
Iraq[6]					1.0
Israel	2.7	5.1	4.3	3.3	4.0
Lebanon[5]					0.6
Persian Gulf States	5.2	7.9	13.8	21.7	43.9
Middle East nsd and unallocated	5.0	5.6	4.0	1.5	2.3
Other Asia	529.2	590.2	622.6	675.1	868.4
Bangladesh[6]					15.0
Hong Kong	20.3	29.7	39.1	47.4	142.1
India	259.7	304.0	277.2	289.8	275.3
Indonesia[7]					12.2
Malaysia	126.7	144.0	172.6	195.9	271.5
Pakistan	32.5	39.5	52.4	48.3	43.7
Philippines[7]					4.3
Singapore	6.0	5.4	7.6	19.5	53.7
Sri Lanka	45.9	49.8	48.2	47.9	29.7
Thailand	3.8	7.2	11.6	11.0	17.2
Other Asia nsd and unallocated	34.3	10.6	13.9	15.3	3.7
CARIBBEAN, CENTRAL AND SOUTHERN AMERICA	277.4	358.8	451.3	488.5	464.5
Argentine	49.3	64.6	67.6	58.4	70.7
Bahamas[8]				43.8	86.5
Barbados[9]					7.8
Bermuda[8]				38.0	−30.7
Brazil	37.2	45.1	61.2	79.5	193.1
Chile	4.2	4.2	15.4	14.3	12.6
Columbia[11]					5.0
Jamaica	14.9	20.4	28.4	34.0	39.9
Mexico	28.0	41.0	48.6	52.1	51.3
Netherlands Antilles[10]					−108.8
Panama[11]				5.5	8.1
Peru[11]				3.9	3.8
Trinidad and Tobago	22.4	29.1	34.6	42.3	37.9
Uruguay[11]				1.3	1.3
Venezuela	10.2	11.8	12.4	10.8	12.8
Commonwealth nsd and unallocated	68.3	96.5	154.9	79.0	56.6
Other nsd and unallocated	42.9	46.1	28.2	25.6	16.6
CENTRALLY PLANNED ECONOMIES					0.5
OCEANIA					2.8
COMMONWEALTH DEVELOPING NSD	5.9	10.9	23.4	24.1	15.7
OTHER DEVELOPING NSD	1.1	1.0	−13.4	−60.0	0.8
WORLD	3,405.0	4,210.0	5,585.3	6,666.9	10,117.8
Commonwealth	2,048.9	2,427.8	3,013.0	3,364.3	4,500.7
Developing Countries	2,131.4	2,778.4	3,917.0	4,807.4	2,412.8
Oil Exporting Countries	161.5	148.7	170.0	246.5	319.2

Notes [1]Includes South West Africa prior to 1974.
[2]Included in Other Africa nsd and unallocated prior to 1974.
[3]Included in Commonwealth Africa nsd in 1962.
[4]Includes Seychelles prior to 1974.
[5]Included in Middle East nsd prior to 1974.
[6]Included in Pakistan prior to 1972.
[7]Included in Other Asia nsd prior to 1974.
[8]Included in Commonwealth nsd and unallocated prior to 1971.
[9]Included in Commonwealth nsd and unallocated prior to 1974.
[10]Included in OTHER DEVELOPING NSD prior to 1974.
[11]Included in Other nsd and unallocated prior to 1971.

The results of the inquiry are summarised in the accompanying tables, which will be reproduced together with additional material from the inquiry in a Business Monitor due to appear in the spring (Business Monitor, Miscellaneous Series, M4 1974 Supplement, Census of Overseas Assets 1974). This Business Monitor will also contain detailed revisions to the annual flows of direct investment and the earnings on it for the years 1972 to 1974 consequent on the results of the census of overseas assets – see section on Revisions.

Analysis by area

Tables 1 and 4 present estimates of the book values of net direct investments in each census year for the main countries and areas.

The book value of outward investment increased by just over a half between 1971 and 1974, compared with a rise of about a fifth between 1968 and 1971. The larger rise between 1971 and 1974 than in previous periods reflected in part the depreciation of sterling during the period and to some extent the higher rates of inflation which may have caused some assets to be revalued upward. The major area of expansion was Western Europe, where the book value of investments almost doubled. Within Western Europe, investments in Efta countries more than doubled, while those in EEC countries, including Denmark and the Irish Republic, rose by nearly 85 per cent. As a proportion of total outward investment, the value of investments in Western Europe increased from just over one-fifth in 1971 to over a quarter in 1974. Investments in North America, at 22 per cent of the total, and other developed countries, at about 30 per cent of the total, accounted for much the same proportions of the total in 1974 as in 1971. The only area in which the value of outward investment decreased between 1971 and 1974 was the Caribbean and Central and Southern America, where the value fell by some 5 per cent. This fall, however, was wholly associated with the growth of financial subsidiaries set up by UK enterprises in order to raise funds on the international money market for worldwide investment. Because in the calculation of the book value of net assets attributable to UK enterprises, current assets of subsidiaries due from their parent companies are discounted (essentially because they are current liabilities of the parent company), this fund raising leaves the subsidiaries with net current liabilities attributable to their UK parent enterprises and the rise in such liabilities between 1971 and 1974 more than offset the rise in attributable net assets from other investments in the area.

The book value of inward investment increased by nearly three-quarters between 1971 and 1974 compared with a rise of about two-fifths between 1968 and 1971. Although the faster rate of growth between 1971 and 1974 than in earlier periods largely reflected a real growth in inward investment, some part of the rise reflected upward revisions to the values of existing assets, which may have been due to the higher rate of inflation in the UK in the period 1971-74 than that in earlier periods. The main areas of growth were investments from Western Europe, Asia and the Caribbean and Central and Southern America. Within Western Europe, investments from other EEC countries more than doubled in value, while those from Efta countries almost doubled. The large rises in the value of investments from Asia and the Caribbean and Central and Southern America were due to a small number of large investments made between the end of 1971 and the end of 1974 rather than to a more general rise in investment activity. Investment from the USA, which at the end of 1971 accounted for 64 per cent of the value of total inward investment, did not grow as fast as that from other areas and at the end of 1974 accounted for only 56 per cent of the total value. The only country whose investments showed a fall in value between 1971 and 1974 was Japan, but this fall can be put down to the special nature of the majority of Japanese investment in the UK, which is in merchanting. The branches of large Japanese enterprises acting as merchants in the UK have built up large current liabilities to third parties which are not matched by current assets due from third parties, as much of the merchanting is done on behalf of the Japanese parent companies. The current assets due from the parent companies are discounted in the calculation of attributable net assets (since they are current liabilities of the Japanese parent companies) and the merchanting branches are thus left with growing net attributable current liabilities.

Analysis by type of investment

Tables 2 and 5 analyse the total for each country and area in 1974 between the main types of direct investment (branches, subsidiaries and associates) and indicate the number of affiliates concerned. Unlike previous censuses, that in respect of the end of 1974 specifically asked respondent firms to indicate the number of directly owned affiliates covered by the figures given. Previously published figures for numbers of overseas affiliates have been based on the number of separate sets of asset figures given and have tended to underestimate the numbers involved. The current figures, however, give a far better indication of the size of the activity in terms of numbers.

The branch form of investment has continued to decline in importance in both outward and inward investment. At the end of 1971 this form of investment accounted for about 10 per cent of the value of outward investment and 4 per cent of that of inward investment, but by the end of 1974 had fallen to about 8 per cent and 1 per cent respectively. On the other hand, the associate form of investment has increased in importance, accounting for 8 per cent and 10 per cent of the value of outward investment in 1971 and 1974 respectively, and 10 per cent and 14 per cent of the value of inward investment at the same dates.

Analysis by industry

Tables 3 and 6 analyse the total for each country and area by industry group. The classification to industry was made by firms themselves and where an investment covered a range of activities, firms were asked to allocate it to the predominant activity. The extent to which it is possible to show a complete industrial analysis for particular countries is limited by the need to avoid disclosing the figures of individual concerns, but the figures have been set out so that subtotals for manufacturing and non-manufacturing industries are given for all countries where this is possible.

Some two-thirds of outward investment at the end of 1974 was in manufacturing industry, predominantly in the food, drink, tobacco and chemical industries, which together accounted for 45 per cent of investment in manufacturing industry. Mechanical and electrical engineering taken together accounted for a further 19 per cent. Among non-manufacturing industries, distribution accounted for 41 per cent of the total, and the next largest, mining and quarrying, for 16 per cent. Of all industries, both manufacturing and non-manufacturing, the largest total investment was in distribution, which accounted for 17 per cent of the total. The split between manufacturing and non-manufacturing industries varied considerably from one area to another, manufacturing industry being predominant in developed countries, and non-manufacturing in developing areas, particularly Africa and Asia.

About 70 per cent of inward investment at the end of 1974 was concentrated in manufacturing industry, a smaller percentage than in 1971, when such investment accounted for over four-fifths of the total. The investment was again, as with outward investment, mainly in food, drink and tobacco, chemicals and mechanical and electrical engineering, though the latter two, at 34 per cent of investment in manufacturing industry, accounted for more than the former which accounted for 28 per cent. Distribution was again predominant among non-manufacturing industries, accounting for 46 per cent of the total of such investments. Investments from North America were largely in manufacturing industries, which accounted for 83 per cent of the total from North America, whereas those in manufacturing from Western Europe accounted for 63 per cent of the total from Western Europe. Investments from other developed countries and the rest of the world were predominantly in non-manufacturing, which accounted for 82 per cent of the total investment from these areas.

Notes and definitions

Coverage. Government departments and the banking, insurance and oil industries were excluded, as was the Commonwealth Development Corporation, which is financed by the government, though its overseas investments include some direct investments in private industry in developing countries. Other public corporations were included.

The inquiry was limited to direct investment by companies and did not cover holdings of shares by individuals resident in the UK in independent companies registered abroad (which would be regarded as portfolio investment), even if, as in the case of some companies which have migrated, UK residents hold a majority of the issued capital. Other forms of overseas assets owned by individuals resident in the UK (eg real estate) were also not covered.

Scope of the inquiry. For the first time since 1962 the inquiry aimed at complete coverage. The growth in international direct investment, both from and to the UK, which had become apparent in recent years, made it a matter of some concern that the values of assets should be estimated accurately. In particular, the figures of annual flows of direct investment and the earnings arising from direct

investment are derived from a sample inquiry which uses the asset figures as a base, and in recent years these figures have grown in importance within the overall UK balance of payments.

Accordingly, all firms identified as possibly having direct investment links overseas were approached in the inquiry. About 1,800 UK companies were approached for details of their direct investments abroad. The inquiry was a voluntary one and about 850 companies provided details. Estimates, based on published information and previous returns, were made for all important non-respondent companies. The published figures contain estimates for other, smaller, non-respondents based on returns received from similar companies. A further 3,340 companies in which there was thought to be a direct investment by an overseas company were also approached, of which about 2,000 gave details. Again, estimates were made for all important non-respondents and the published figures contain estimates for other, smaller non-respondents.

Unlike the two previous inquiries, all companies were asked to provide full details, regardless of the size of the direct investment. In 1971 companies whose total overseas net assets were less than £1 million were not asked to give full details, but because the information which was supplied was not a sufficiently reliable guide to the value of attributable net assets, the more detailed information was sought in respect of all investments in the 1974 inquiry.

Although the figures are shown in the tables to the nearest £0.1 million they cannot be taken as necessarily being accurate to that degree. As explained above, the figures contain estimates for smaller non-responding companies based on information returned by similar companies and these estimates are subject to some degree of error. In total, these estimates accounted for 5 per cent, or some £500 million, of outward investment and 9 per cent, or some £600 million, of inward investment. In general, the figures for all areas and for regional groupings are subject to smaller proportionate margins of error than the figures for individual countries.

Direct investment consists of investment by companies in branches, subsidiaries and associates (described collectively as affiliates). The investing company's share in the net assets of overseas affiliates was calculated as follows:

> For branches and subsidiaries, the investing company's share comprised the book value of fixed assets (net of depreciation) plus current assets (net of amounts owing by the investing company) less current liabilities (net of amounts owing to the investing company) less long-term liabilities (net of amounts owing to the investing company) less minority shareholders' interest in net assets. For associates, the investing company's share for outward investment comprised the book value of the investment as shown in the investing company's accounts, and for inward investment the book value of the investment as shown in the accounts of the company in which the investment was held.

Problems of valuation. It was recognised that the value shown in companies' accounts would tend to understate the current value of investments, and would sometimes do so to a substantial degree. However, book values are the only values which are easily understood and readily available. In general, book values at present reflect the cost of investments made at various past dates, although some companies revalue their assets periodically and substitute higher (or lower) values in their books.

There are difficulties in attempting to arrive at an alternative to book values such as market values. These can be readily obtained only when a subsidiary in one overseas country has a separate stock

TABLE 2 Outward Investment: Numbers and values of direct investments by form of organisation, by area and country. Book value of net assets attributable to United Kingdom at end 1974 in £ million

	Subsidiaries		Branches		Associates		Total	
	Number	Value	Number	Value	Number	Value	Number	Value
WESTERN EUROPE	3,540	2,428.5	171	66.2	642	286.4	4,353	2,781.1
EEC	2,709	1,941.4	117	47.1	468	208.0	3,294	2,196.5
Belgium and Luxembourg	380	242.2	13	5.7	69	42.3	462	290.2
Denmark	90	61.6	6	0.6	15	10.0	111	72.2
France	569	391.1	21	25.9	115	42.5	705	459.5
German Federal Republic	484	580.1	14	3.7	90	42.8	588	626.6
Irish Republic	435	294.2	44	7.9	78	10.0	557	312.1
Italy	193	163.7	5	1.0	47	33.9	245	198.6
Netherlands	558	208.5	14	2.3	54	26.5	626	237.3
EFTA	617	342.4	23	1.1	90	33.7	730	377.2
Austria	72	61.2	..	..	..	..	78	81.4
Finland	21	12.7	..	..	..	..	27	13.8
Norway	53	20.0	..	..	..	..	68	23.1
Portugal	68	51.4	5	−0.8	9	1.4	82	52.0
Sweden	142	87.0	6	0.2	17	6.8	165	93.9
Switzerland	261	110.1	6	0.8	43	2.1	310	113.0
Other Western Europe	214	144.7	31	18.1	84	44.6	329	207.4
Cyprus	6	2.2	..	..	..	..	12	4.2
Gibraltar	5	27.2	..	..	..	..	9	27.4
Greece	13	5.0	..	..	..	..	22	7.7
Malta	52	8.0	..	..	..	..	59	8.2
Spain	134	97.4	14	15.2	67	39.2	215	151.8
Turkey	4	4.9	4	0.8	4	2.4	12	8.0
NORTH AMERICA	1,283	2,020.9	83	46.1	162	147.6	1,528	2,214.6
Canada	616	874.8	13	3.0	76	63.4	705	941.2
USA	667	1,146.1	70	43.1	86	84.2	823	1,273.3
OTHER DEVELOPED COUNTRIES	2,610	2,464.3	81	129.2	389	374.6	3,080	2,968.2
Australia	1,255	1,437.3	39	76.5	191	233.5	1,485	1,747.2
Japan	32	9.3	10	3.5	38	26.8	80	39.7
New Zealand	257	151.5	17	14.6	53	17.9	327	184.0
South Africa	1,066	866.2	15	34.6	107	96.4	1,188	997.2
REST OF THE WORLD	2,211	1,400.6	540	542.5	591	210.8	3,342	2,154.0
Africa	714	626.1	115	77.4	131	34.0	960	737.5
Ghana	44	50.9	8	1.3	6	2.5	58	54.8
Kenya	137	72.0	14	11.1	20	5.1	171	88.1
Liberia	..	..	..	..	—	—	7	5.4
Libyan Arab Republic	..	..	..	..	—	—	6	0.7
Malawi	27	11.9	13	6.8	5	0.7	45	19.4
Mauritius	4	0.3	4	1.7	5	0.2	13	2.2
Nigeria	146	191.9	4	2.0	37	4.8	187	198.7
Rhodesia	123	101.9	10	8.9	8	2.8	141	113.6
Seychelles	..	..	..	..	4	0.4	10	6.8
Sierra Leone	9	4.9	5	10.9	4	2.7	18	18.5
South West Africa	..	..	..	..	..	..	6	6.5
Tanzania	21	6.9	..	..	..	..	26	7.3
Uganda	..	..	—	—	..	..	20	1.4
Zaire	11	2.9	..	..	..	..	15	5.1
Zambia	86	51.2	..	..	..	..	106	57.8
Commonwealth Africa nsd and unallocated	26	15.3	..	..	..	..	34	15.9
Other Africa nsd and unallocated	48	102.3	37	26.8	12	6.2	97	135.3

exchange quotation because part of its share capital is in local hands. Also, where most of the assets of a particular company are concentrated in one country, it may be possible to use the market value of the enterprise as an approximation to the market value of assets in that country. Generally, however, market values are not readily available and some form of assessment would be necessary.

Even where market values exist, they represent the price put on the shares in marginal trading, which does not necessarily correspond to the amount which would be obtained if the whole of the investment were disposed of. Market values are significantly influenced by expectations about the future earnings to which the assets will give rise, and may fluctuate widely in the short term in response to changes in those expectations.

In respect of investment in associated companies overseas, there is the special problem that the concept of book values is not unambiguous. In the main tables accompanying this article, investments in associates, which account for about 10 per cent of total outward investment, are valued according to what is shown in the investing companies' books. However, what is shown in an investing company's books may not agree with the value of the corresponding net assets in the books of the company in which the investment is held. The former value often represents the initial cost of the investment, whereas the latter value may include subsequent additions to the investment from reinvested profits, together with subsequent revaluations, etc. To gauge the importance of the difference between these two concepts, UK companies with overseas associates were asked to give, in addition to the value in their own books, the value of net assets corresponding to their investments in the books of the associate. Not all companies were able or willing to give this additional information, usually because it was not always easy to obtain, but companies accounting for some 80 per cent of the value of investment in associates did provide both figures. For these companies the book value of investments in associates in their own books was on average some 24 per cent below that shown in the associates' books. If this understatement was typical of all companies with investments in associates, and if the values shown in associates' books were substituted for those in the investing companies' books, the value of total outward investment shown in the accompanying tables would be increased by some £330 million, or 3 per cent.

Definitions

A 'branch' means a permanent establishment as defined for the purpose of UK tax in the relevant corporation tax and double taxation relief agreements (which are published as statutory instruments).

A 'subsidiary' is as defined in section 154 of the Companies' Act 1948.

An 'associate' is a company in which an investment is held, which is not a subsidiary but which the investing company regards as a trade investment.

Classification by country. Companies were asked to provide separate information for each country in which they had direct investments. Separate figures were generally provided for individual affiliates, but in some cases figures for those in the same country (or occasionally the same area) were combined.

In the instances where investments in affiliates in third countries were channelled through holding companies which were themselves overseas subsidiaries, the whole of the investment was generally allocated to the country of the intervening subsidiary.

Investment in the sub-subsidiaries in the UK of foreign parent

TABLE 2—*continued*

	Subsidiaries		Branches		Associates		Total	
	Number	Value	Number	Value	Number	Value	Number	Value
ASIA	836	486.1	284	380.5	294	65.5	1,414	932.2
Middle East	61	15.0	58	43.1	36	5.7	155	63.8
Iran	9	7.5	13	4.0	9	0.5	31	12.0
Iraq	—	—	..	..	..	..	7	1.0
Israel	21	3.6	..	..	..	..	34	4.0
Lebanon	..	..	..	..	..	..	13	0.6
Persian Gulf States	16	3.0	29	36.2	11	4.7	56	43.9
Middle East nsd and unallocated	..	..	7	1.7	..	..	14	2.3
Other Asia	775	471.1	226	337.4	258	59.8	1,259	868.4
Bangladesh	11	3.1	..	..	..	..	22	15.0
Hong Kong	178	104.1	23	29.8	30	8.2	231	142.1
India	143	150.5	70	91.4	105	33.3	318	275.3
Indonesia	10	8.9	..	..	..	..	17	12.2
Malaysia	118	100.7	56	160.6	43	10.2	217	271.5
Pakistan	40	27.7	14	15.8	5	0.2	59	43.7
Philippines	..	..	..	..	6	0.4	13	4.3
Singapore	189	49.6	7	0.3	41	3.7	237	53.7
Sri Lanka	21	9.8	30	19.2	11	0.7	62	29.7
Thailand	50	13.4	6	2.7	8	1.1	64	17.2
Other Asia nsd and unallocated	..	..	6	2.9	..	..	19	3.7
CARIBBEAN, CENTRAL AND SOUTHERN AMERICA	605	277.5	79	76.5	155	110.5	839	464.5
Argentine	52	53.4	11	9.7	22	7.6	85	70.7
Bahamas	75	86.4	—	—	7	0.1	82	86.5
Barbados	17	2.9	..	..	..	..	23	7.8
Bermuda	84	−81.1	..	..	..	..	106	−30.7
Brazil	104	179.3	6	0.8	30	12.9	140	193.1
Chile	6	3.1	..	..	..	..	12	12.6
Colombia	..	4.8	..	..	..	..	6	5.0
Jamaica	53	26.5	7	8.9	16	4.5	76	39.9
Mexico	30	23.4	..	..	..	..	49	51.3
Netherlands Antilles	..	−109.2	..	..	..	..	11	−108.8
Panama	..	..	—	—	..	..	11	8.1
Peru	10	2.1	..	..	..	..	20	3.8
Trinidad and Tobago	54	20.4	9	14.4	13	3.1	76	37.9
Uruguay	..	..	..	..	—	—	10	1.3
Venezuela	..	..	—	—	..	..	18	12.8
Commonwealth nsd and unallocated	55	36.2	26	20.1	5	0.3	86	56.6
Other nsd and unallocated	19	11.9	..	..	..	..	28	16.6
CENTRALLY PLANNED ECONOMIES	—	—	8	0.5	—	—	8	0.5
OCEANIA	..	..	..	..	8	0.7	13	2.8
COMMONWEALTH DEVELOPING nsd	..	..	52	6.7	..	..	65	15.7
OTHER DEVELOPING nsd	40	0.7	..	..	..	..	43	0.8
WORLD	9,644	8,314.4	875	784.0	1,784	1,019.4	12,303	10,117.8
Commonwealth	3,850	3,533.4	441	510.5	749	456.7	5,040	4,500.7
Developing Countries	2,493	1,596.7	568	559.2	683	256.8	3,990	2,412.8
Oil Exporting Countries	253	244.4	69	60.8	76	14.0	398	319.2

companies was similarly attributed to the country of the intervening holding company rather than that of the ultimate parent. To the extent that American and West European investments in the UK are channelled through holding or operating companies in Switzerland, Panama or Canada, investment by the latter countries and the areas of which they form part is overstated and investment by the USA and West European countries other than Switzerland correspondingly understated.

In the accompanying tables Developing countries total consists of Portugal (1974 only), Other Western Europe (other than the Irish Republic) and the Rest of the World (other than the Centrally Planned Economies). Oil exporting countries consist of Indonesia, Iran, Iraq, Persian Gulf States, Libya, Nigeria, Trinidad and Tobago, and Venezuela.

Classification by industry. Firms were asked to code the kind of business

TABLE 3 Outward Investment: Values of direct investments, by industry and by area and country. Book values of net assets attributable to the United Kingdom at end 1974 in £ million

	Food, drink and tobacco	Chemicals and allied industries	Metal manufacture	Mechanical engineering and instrument engineering	Electrical engineering	Shipbuilding	Motor vehicle manufacture	Textiles, leather clothing and footwear	Paper, printing and publishing	Rubber	Other manufactures
WESTERN EUROPE	468.1	399.1	38.0	178.4	117.9	..	45.6	111.3	59.3	..	186.1
EEC	404.3	356.2	33.4	171.6	95.4	..	38.8	82.0	41.7	..	153.4
Belgium/Luxembourg	39.5	21.1	..	7.4	..	..	..	5.0	..	..	10.2
Denmark	16.2	3.2	—	..	..	—	..	..	..	—	1.0
France	37.5	46.2	..	28.1	23.6	..	..	26.6	14.1	..	39.4
German Federal Republic	..	..	2.5	59.2	29.4	..	..	18.1	7.0	..	53.4
Irish Republic	143.4	22.9	3.8	2.6	18.2	..	..	12.2	3.9	..	18.1
Italy	..	35.5	..	12.8	17.4	..	..	13.9	4.8	..	13.8
Netherlands	31.2	..	4.5	..	4.6	..	..	..	12.4	..	17.4
EFTA	35.5	25.4	..	1.6	14.7	0.2	..	14.9	16.9	..	21.6
Austria	..	2.2	..	..	—	..	—	..	..	—	3.2
Finland	..	..	—	..	—	—	—	—	..	—	—
Norway	..	..	..	..	..	—	—	—	..	—	0.4
Portugal	..	3.2	—	—	..	—	..	..	..	..	0.7
Sweden	..	11.0	—	1.4	..	..	..	..	..	—	17.1
Switzerland	17.1	..	—	—	..	—	—	6.1	..	—	..
Other Western Europe	28.3	17.6	..	5.3	7.8	—	..	14.5	0.8	..	11.2
NORTH AMERICA	413.9	233.0	38.0	63.1	111.9	31.9	..	133.8	219.9	9.3	81.8
Canada	64.8	95.7	..	23.6	34.7	..	..	29.0	119.3	..	50.1
USA	349.1	137.3	..	39.4	77.2	..	—	104.8	100.6	..	31.7
OTHER DEVELOPED COUNTRIES	309.0	348.2	173.9	212.7	334.8	..	75.0	114.5	126.0	..	232.2
Australia	161.3	215.3	126.8	92.9	214.6	..	..	66.5	64.4	7.2	98.5
Japan	0.5	9.1	—	0.9	..	..	—	..	—	..	1.6
New Zealand	38.1	18.7	..	4.8	..	—	..	..	6.2	..	21.3
South Africa	109.0	105.1	..	114.1	101.3	—	34.0	44.4	55.4	..	110.8
REST OF THE WORLD	361.5	172.3	..	33.0	102.8	..	..	74.1	34.9	44.2	151.6
Africa	93.9	37.1	9.9	1.0	20.5	..	..	15.7	16.4	..	54.5
Ghana	..	..	..	—	—	..	..	..	..	—	—
Kenya	13.5	4.8	—	0.3	..	—	..	1.8	1.7	..	10.5
Liberia	—	—	—	—	—	—	—	—	—	—	—
Malawi	2.4	—	..	—	..	—	..	..	..	—	—
Nigeria	40.1	15.8	..	..	..	..	—	2.1	..	..	28.0
Rhodesia	8.6	9.2	3.5	..	8.6	—	..	..	3.9	..	10.4
Tanzania	—	..	—	—	—	—	..	..	..	—	..
Uganda	..	..	—	—	—	—	—	—	..	—	..
Zambia	3.4	4.2	—	..	5.3	—	..	..	..	..	..
Other Commonwealth nes	..	..	—	..	..	—	—	—	..	—	—
Other nes	..	..	—	..	—	—	..	..	—	..	..
ASIA	105.8	84.1	..	16.3	57.9	3.9	..	..	..	4.7	50.4
Middle East	—	..	..	..	—	—	..	..	..	—	1.9
Iran	—	..	—	..	—	—	..	—	—	—	..
Israel	—	—	—	—	—	—	—	..	..	—	1.5
Lebanon	—	—	—	—	—	—	—	—	—	—	0.3
Middle East nes	—	—	..	—	—	—	—	—	—	—	..
Other Asia	105.8	..	12.5	..	57.9	3.9	..	16.1	6.5	4.7	48.5
Bangladesh	..	1.9	—	..	—	—	—	—	—	—	..
Hong Kong	..	3.1	—	..	..	..	—	1.0	1.4	—	..
India	53.9	40.1	8.6	10.9	40.9	..	..	13.3	4.1	..	29.6
Malaysia	19.9	20.4	..	1.2	..	..	—	—	..	..	6.7
Pakistan	..	5.5	—	..	..	—	—	..	—	—	..
Singapore	..	6.9	..	0.2	2.8	3.3	—	..	..	—	..
Sri Lanka	..	..	..	..	..	—	—	—	—	..	..
Thailand	..	..	—	1.7	—	—	—	..	—	—	..
Other Asia nes	..	..	..	—	—	—	—	..	—	—	..
CARIBBEAN, CENTRAL AND SOUTHERN AMERICA	160.9	50.7	..	15.7	24.4	3.1	..	..	..	..	46.7
Argentine	..	..	..	..	..	—	..	..	..	..	..
Bermuda	..	..	—	—	—	—	—	—	..	—	—
Brazil	..	12.2	—	13.5	19.2	..	—	..	..	..	..
Jamaica	..	2.3	—	..	..	—	—	—	..	—	..
Mexico	..	8.3	—	..	..	—	..	..	..	..	15.0
Netherlands Antilles	—	—	—	—	—	—	—	—	—	—	—
Peru	—	..	—	—	—	—	—	..	—	..	—
Trinidad and Tobago	12.9	..	—	—	—	—	—	—	..	..	..
Venezuela	..	..	—	—	..	—	—	..	—	—	..
Other Commonwealth nes	3.0	1.4	—	—	..	..	—	..	..	..	—
Other nes	..	2.3	—	..	..	..	..	..	..	—	..
OTHER COMMONWEALTH	..	..	—	—	..	—	—	..	—	—	—
OTHER	..	..	—	—	..	—	—	..	..	—	—
WORLD	1,552.5	1,152.6	272.6	487.3	667.4	67.6	141.6	433.8	440.1	150.1	651.6
Commonwealth	476.6	445.1	194.1	136.9	336.0	30.6	58.6	148.9	213.5	47.2	282.5
Developing	397.1	193.1	25.3	38.3	123.4	..	..	92.5	42.8	52.8	163.4
Oil exporting	65.5	21.4	..	0.7	..	..	..	3.7	9.5	..	33.4

in which their affiliates were engaged to one of 20 industry groups. The industrial analysis of outward investment relates to the activities of the overseas concerns, and that of inward investment to the business of the UK affiliate. The 20 industry groups separately identified were as follows:

Manufacturing industries:
- Food, drink and tobacco
- Chemical and allied industries
- Metal manufacture
- Mechanical and instrument engineering
- Electrical engineering
- Vehicle manufacture, aircraft, shipbuilding and marine engineering, other than motor vehicles
- Motor vehicle manufacture
- Textiles, clothing and footwear
- Paper, printing and publishing
- Rubber
- Other manufacturing industries

TABLE 3—*continued*

Total manufacture	Agriculture, forestry, fishing	Mining and quarrying	Construction	Transport and communication other than shipping	Shipping	Distributive trades	Other financial institutions	Property owning and managing	Other activities	Total non manufacture	Total	
1,698.0	15 1	30.3	18.7	31.4	18.7	675.1	39.0	55.6	199.1	1,083.1	2,781.1	WESTERN EUROPE
1,462.2	13.9	11.9	13.2	23.9	17.4	442.4	−5.0	39.0	177.6	734.3	2,196.5	EEC
101.3	..	..	3.8	4.3	0.4	34.3	10.3	17.3	..	188.9	290.2	Belgium/Luxembourg
27.4	..	0.4	—	..	—	42.0	0.4	—	—	44.8	72.2	Denmark
253.7	3.9	0.2	7.3	3.3	—	148.7	..	16.3	..	205.8	459.5	France
507.1	..	—	3.6	4.7	..	75.7	2.3	..	16.0	119.5	626.6	German Federal Republic
240.2	..	..	..	3.4	..	26.1	13.3	15.5	10.4	71.9	312.1	Irish Republic
131.5	..	..	..	..	—	52.9	0.1	4.7	1.9	67.1	198.6	Italy
201.0	—	2.2	..	7.4	15.3	62.7	..	..	26.3	36.3	237.3	Netherlands
133.1	..	..	0.8	..	..	190.6	..	8.0	14.8	244.2	377.2	EFTA
13.1	—	—	..	..	—	65.9	..	—	..	68.3	81.4	Austria
4.2	—	—	—	..	—	9.5	0.1	—	..	9.6	13.8	Finland
8.8	—	..	—	..	..	12.7	0.4	—	..	14.3	23.1	Norway
34.9	..	..	..	..	..	7.3	..	5.6	..	17.0	52.0	Portugal
47.7	—	—	..	..	—	45.5	0.5	..	..	46.2	93.9	Sweden
24.3	—	..	—	..	—	49.7	22.2	..	13.7	88.7	113.0	Switzerland
102.8	..	..	4.7	..	..	42.2	..	8.6	6.7	104.6	207.4	Other Western Europe
1,338.2	..	260.4	18.6	20.8	..	337.8	34.3	100.3	90.2	876.4	2,214.6	NORTH AMERICA
465.3	..	..	..	..	..	105.1	27.6	80.9	33.5	475.9	941.2	Canada
872.9	..	..	..	..	..	232.7	6.7	19.5	56.6	400.5	1,273.3	USA
1,955.4	..	288.0	49.2	33.3	..	304.7	29.6	107.2	60.3	1,012.8	2,968.2	OTHER DEVELOPED COUNTRIES
1,105.0	79.6	197.2	31.6	23.9	..	153.4	..	103.4	23.8	642.2	1,747.2	Australia
14.6	..	—	—	—	—	24.8	..	—	..	25.1	39.7	Japan
123.6	..	—	1.3	..	..	27.3	..	..	..	60.4	184.0	New Zealand
712.2	—	90.8	16.3	..	..	99.2	24.2	..	29.5	285.0	997.2	South Africa
1,025.6	337.5	83.4	36.3	138.9	70.1	369.1	−130.7	48.9	174.9	1,128.4	2,154.0	REST OF THE WORLD
288.8	55.1	39.9	16.4	96.7	..	206.4	1.8	14.9	16.6	448.7	737.5	Africa
20.8	—	..	..	..	—	..	—	..	..	34.0	54.8	Ghana
36.3	..	—	1 1	..	—	22.1	..	..	..	51.8	88.1	Kenya
—	—	—	—	—	..	1.8	..	—	—	5.4	5.4	Liberia
4.1	8.7	—	..	..	—	5.1	—	—	..	15.3	19.4	Malawi
118.3	..	..	2.5	..	..	66.9	..	..	..	80.5	198.7	Nigeria
65.6	..	9.6	..	..	—	16.9	..	..	..	47.9	113.6	Rhodesia
2.5	..	—	..	..	—	1.0	—	—	—	4.8	7.3	Tanzania
0.7	—	—	0.4	—	—	..	—	..	—	0.7	1.4	Uganda
24.2	—	..	1.8	10.4	—	20.0	..	..	..	33.6	57.8	Zambia
6.8	—	16.2	3.6	..	..	11.4	..	6.2	..	43.1	49.9	Other Commonwealth nes
9.5	..	..	2.4	..	—	31.3	—	..	..	131.9	141.0	Other nes
366.5	222.5	..	11.5	28.0	..	99.7	57.6	−4.0	..	565.6	932.2	ASIA
2.6	—	..	8.8	6.8	..	11.3	—	0.1	..	61.2	63.8	Middle East
0.5	—	..	0.1	..	—	..	—	—	4.2	11.4	12.0	Iran
1.5	—	—	—	1.2	..	1.2	—	0.1	..	2.5	4.0	Israel
0.3	—	—	—	..	..	..	—	—	—	0.3	0.6	Lebanon
0.3	—	—	8.8	..	—	..	—	—	..	47.0	47.3	Middle East nes
363.9	222.5	41.2	2.7	21.2	2.7	88.4	57.6	−4.1	72.2	504.4	868.4	Other Asia
6.5	6.5	—	—	—	..	..	—	—	—	8.5	15.0	Bangladesh
21.8	..	—	..	..	..	20.7	55.2	..	29.5	120.3	142.1	Hong Kong
190.8	48.9	..	..	..	..	9.2	..	—	21.9	84.5	275.3	India
78.5	145.9	17.6	—	..	..	10.6	..	—	16.5	193.0	271.5	Malaysia
22.2	..	..	..	..	—	2.1	—	—	..	21.6	43.7	Pakistan
20.3	—	—	..	..	..	28.9	—	−4.7	1.7	33.4	53.7	Singapore
9.2	16.7	—	—	..	—	2.4	—	..	0.9	20.4	29.7	Sri Lanka
3.3	—	..	—	—	—	12.2	—	—	..	13.8	17.2	Thailand
11.3	..	..	..	..	—	..	—	—	..	9.0	20.3	Other Asia nes
365.2	60.0	..	7.9	..	61.8	61.6	−190.0	37.0	51.5	99.3	464.5	CARIBBEAN, CENTRAL AND SOUTHERN AMERICA
47.0	..	..	—	—	..	9.7	—	—	0.3	23.6	70.7	Argentine
0.8	—	—	—	—	..	10.1	−116.3	15.8	..	−31.6	−30.7	Bermuda
175.1	—	—	..	—	..	13.3	—	..	..	18.0	193.1	Brazil
19.4	..	—	..	..	..	5.7	—	3.2	2.8	20.5	39.9	Jamaica
50.2	..	—	—	—	—	1.0	—	—	..	1.0	51.3	Mexico
—	—	—	—	—	—	..	−109.2	—	..	−108.8	−108.8	Netherlands Antilles
1.3	—	—	..	—	—	1.0	—	..	..	2.5	3.8	Peru
20.1	—	—	3.3	..	..	4.9	..	5.6	3.0	17.9	38.0	Trinidad and Tobago
11.2	—	—	—	—	—	..	—	—	..	1.6	12.8	Venezuela
18.7	34.1	..	..	..	..	11.5	..	11.0	36.6	132.2	150.9	Other Commonwealth nes
21.4	..	—	—	..	..	2.9	..	..	..	22.4	43.8	Other nes
4.7	—	..	..	..	..	..	—	—	..	13.8	18.5	OTHER COMMONWEALTH
0.4	—	..	..	..	..	..	—	—	..	1.0	1.3	OTHER
6,017.2	462.5	662.2	122.8	224.4	133.3	1,686.7	−27.8	312.0	524.4	4,100.6	10,117.7	WORLD
2,370.0	413.0	433.8	70.6	90.8	92.5	568.6	31.5	233.4	196.4	2,130.7	4,500.7	Commonwealth
1,163.2	338.7	100.7	41.0	144.0	71.5	418.5	−110.0	63.1	182.1	1,249.5	2,412.8	Developing
158.5	5.9	6.7	14.4	6.8	..	83.8	..	..	37.9	160.8	319.2	Oil exporting

Other industries:
- Agriculture
- Mining and quarrying
- Construction
- Transport and communications, other than shipping
- Shipping
- Distribution
- Financial services, other than banking and insurance
- Property owning and managing
- Other activities

For inward investment, the 'other activities' group was inflated to a small extent by the inclusion of a number of firms which described their mixed distributive and manufacturing interests as general.

TABLE 4 Inward investment: Book value of direct investments by country and area, 1962-74

£ million

	1962	1965	1968	1971	1974
WESTERN EUROPE	298.8	397.0	594.3	891.6	1,850.5
EEC	133.7	178.4	278.2	472.9	1,084.2
Belgium and Luxembourg	8.9	12.9	14.7	40.4	209.7
Denmark					64.4
France	31.5	40.2	51.0	80.4	162.8
German Federal Republic	5.7	12.8	26.6	59.8	168.2
Irish Republic					27.7
Italy	13.8	17.3	17.7	74.0	114.4
Netherlands	73.8	95.2	168.2	218.3	337.1
EFTA	158.6	210.8	309.6	409.3	751.7
Denmark	7.4	6.4	13.1	21.9	
Finland	3.5	6.5	10.2	18.4	53.5
Norway	0.9	1.8	2.5	4.6	33.4
Sweden	24.0	28.4	59.7	75.8	165.7
Switzerland	122.5	167.0	221.6	286.4	493.8
EFTA nes	0.3	0.7	2.5	2.2	5.3
Other Western Europe	6.5	7.8	6.5	9.4	14.6
Irish Republic	2.3	2.3	1.2	3.6	
Spain	..	..	..	..	11.8
Other Western Europe nes	..	..	..	..	2.7
NORTH AMERICA	1,085.7	1,546.7	2,054.8	2,718.7	4,086.3
Canada	169.2	229.8	232.0	270.7	422.3
USA	916.5	1,316.9	1,822.8	2,448.0	3,664.0
OTHER DEVELOPED COUNTRIES	32.7	20.5	48.6	156.5	302.9
Australia	8.5	4.5	6.0	29.2	59.6
Japan	−4.0	−5.6	1.7	13.3	−18.5
New Zealand	1.5	0.7	4.1	5.6	11.4
South Africa	26.7	20.9	36.8	108.4	250.3
REST OF THE WORLD	12.5	35.7	30.3	50.2	345.7
ASIA	0.8	..	1.3	11.9	216.5
CARIBBEAN, CEN. S. AMERICA*	10.6	..	28.8	38.9	127.9
OTHER	1.1	..	0.2	−0.6	1.3
WORLD	1,429.7	1,999.9	2,728.0	3,817.0	6,585.3

* In 1962 Panama was classified as a Developed Country and was included with USA

Revisions

Preliminary estimates of the book values of net assets at the end of each year since the end of 1971 have appeared in the *United Kingdom Balance of Payments* 1965-75 (the 'Pink Book') and in the *Bank of England Quarterly Bulletin* for June 1976. These estimates were extrapolated from the end-1971 values, in the main by taking account of annual flows of investment (including unremitted profits), the emigration of companies overseas, and the effects of the depreciation of sterling. The effects of the latter on the figures of the book values of outward investment added a margin of error to the extrapolated estimates which had not existed before the floating of sterling in June 1972. Because little evidence was available to suggest the precise effect of the downward movement of sterling against foreign currencies on the values of overseas assets in UK companies' books, the blanket assumption that the assets would rise in value to the same extent as the fall in the value of sterling was made when the extrapolated estimates were prepared. It was recognised that this treatment would not necessarily yield the correct figures, particularly in view of the lack of consistency of treatment between companies which became apparent after some time.

The results of the inquiry into asset values at the end of 1974 indicated two sources of error in the extrapolated figures for outward investment. First, the blanket assumption concerning the effects of the depreciation of sterling produced overestimates of the values. It is not possible to quantify the effects of exchange rate changes on the end-1974 figure because of the indistinguishable effects of other revaluations, but the estimate of £11,140 million published in the June 1976 edition of the *Bank of England Quarterly Bulletin* has now been revised downwards by some £1,020 million. There will be consequential revisions to the figures for the ends of 1972 and 1973 and these will appear in the June 1977 edition of the bulletin.

The downward revision was also due to the second factor highlighted by the results. This was that the sample of companies approached annually for figures of flows of investment and earnings on direct investment had grown at a slightly faster rate than companies not approached annually and thus accounted for a slightly larger proportion of the total book value at the end of 1974 than at the end of 1971. Thus the annual figures for outward direct investment (used in the extrapolation of estimated book values) and earnings for the years 1972 to 1974 previously published in the 'Pink Book' and last published in *Economic Trends* for December 1976 are overestimated to a small extent. Revisions to these figures will appear in the March 1977 edition of *Economic Trends* and in the *Trade and Industry* article on Direct Investment in 1975, due to appear next month.

The results of the inquiry regarding the asset value of overseas investment in the UK at the end of 1974 also indicated two sources of error in the extrapolated values previously published. Firstly, the sample of companies approached annually for figures of flows of investment and the earnings on direct investment had not reflected the growth of foreign direct investment in the UK since the end of 1971.

TABLE 6 Inward Investment: Values of direct investments by industry and selected areas

£ million

	Food, drink, tobacco	Chemicals and allied industries	Metal manufacture	Mechanical engineering	Electrical engineering	Motor vehicles	Textiles, leather, clothing	Paper, printing, publishing	Rubber	Other manufacture
WESTERN EUROPE	139.5	239.6	99.9	131.4	186.9	12.0	39.4	55.7	210.7	56.9
EEC	40.0	134.1	..	38.3	154.1	..	30.4	23.6	..	37.7
Belgium and Luxembourg	..	..	..	..	1.1	—	3.3	..	—	4.7
Denmark	7.0	—	—	..	..	..	..	..	—	..
France	..	45.4	..	8.2	3.9	..	..	—	—	..
German Federal Republic	0.2	..	1.3	13.2	2.9	3.7	6.8	1.4	..	3.7
Irish Republic	..	—	—	—	—	—	4.7	8.1	—	..
Italy	−0.9	—	..	..	..	—	..	—	..	..
Netherlands	..	24.7	..	0.6	..	—	..	2.2	..	15.4
EFTA	..	105.5	..	93.1	32.7	..	9.1	..	..	18.4
Norway	..	..	..	..	—	—	—	—	..	1.7
Sweden	—	..	..	33.2	..	—	—	10.6	—	..
Switzerland	..	81.6	14.4	59.9	..	..	..	..	..	11.9
EFTA nes	—	—	..	..	—	—	..	..	—	..
Other Western Europe	..	—	—	—	—	—	—	..	—	—
NORTH AMERICA	399.6	458.7	214.3	831.6	453.7	375.9	36.3	215.2	74.3	360.8
Canada	77.4	3.7	65.7	..	3.9	..	—	106.7	—	3.6
USA	322.2	455.0	148.6	..	449.8	..	36.3	108.5	74.3	357.2
OTHER DEVELOPED COUNTRIES	..	21.3	—	6.5	..	—	..	..	..	10.6
REST OF THE WORLD	..	20.3	—	1.0	..	—	..	..	..	2.3
WORLD	559.3	739.8	314.2	970.5	640.7	387.8	81.7	291.3	285.6	429.9

Further investigation has shown that a substantial part of the growth indicated by the results took place in 1972, with the remainder occurring in 1973 and 1974, and that no revision to the end-1971 book values is called for. Thus the annual figures of investment (used in the extrapolation of estimated book values) and earnings for 1972 to 1974 previously published in the 'Pink Book' and in *Economic Trends* are underestimated and have to be revised upward to take account of the growth. These revisions, as those for outward investment and earnings, will appear in March *Economic Trends* and the *Trade and Industry* article on Direct Investment in 1975.

The second factor that became apparent was that there had been substantial upward revaluations of asset values between 1971 and 1974, which could not be accounted for in the flows of inward direct investment. The combination of these two factors has led to the previously published estimate for the value of foreign direct investment in the UK at the end of 1974 of £5,390 million being revised upward by about £1,200 million. The consequential revisions to the values at the end of 1972 and 1973 will appear in the June 1977 edition of the *Bank of England Quarterly Bulletin* and in the next edition of the 'Pink Book'.

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TABLE 5 Inward Investment: Numbers and values of direct inward investments by organisation, by area and country

£ million

	Subsidiaries		Branches		Associates		Total	
	Numbers	Value	Numbers	Value	Numbers	Value	Numbers	Value
WESTERN EUROPE	1,167	1,560.0	3	0.1	219	290.4	1,389	1,850.5
EEC	702	908.9	..	..	..	..	850	1,084.2
Belgium and Luxembourg	58	182.1	—	—	21	27.6	79	209.7
Denmark	48	63.0	—	—	7	1.4	55	64.4
France	150	129.0	—	—	40	33.7	190	162.8
German Federal Republic	221	163.0	—	—	41	5.2	262	168.2
Irish Republic	53	..	..	..	..	..	57	27.7
Italy	36	..	—	—	10	..	46	114.4
Netherlands	136	320.0	..	..	..	..	161	337.1
EFTA	441	636.5	..	..	..	..	515	751.7
Finland	..	..	—	—	..	..	14	53.5
Norway	34	23.5	—	—	7	9.9	41	33.4
Sweden	132	147.2	—	—	12	18.6	144	165.7
Switzerland	256	416.8	..	..	..	..	306	493.8
EFTA nes	..	..	—	—	..	..	10	5.3
Other Western Europe	24	14.6	—	—	—	—	24	14.6
Spain	14	11.8	—	—	—	—	14	11.8
Other Western Europe nes	10	2.7	—	—	—	—	10	2.7
NORTH AMERICA	1,399	3,573.0	48	68.5	198	444.8	1,645	4,086.3
Canada	112	374.9	6	5.3	24	42.0	142	422.3
USA	1,287	3,198.1	42	63.2	174	402.8	1,503	3,664.0
OTHER DEVELOPED COUNTRIES	113	140.3	14	31.7	25	130.9	152	302.9
Australia	46	38.9	..	..	..	..	56	59.6
Japan	31	26.0	9	−48.1	9	3.7	49	−18.5
New Zealand	10	11.1	..	..	..	..	13	11.4
South Africa	26	64.3	..	..	..	..	34	250.3
REST OF THE WORLD	114	289.5	6	−5.0	31	61.2	151	345.7
ASIA	46	..	..	..	..	..	62	216.5
CARRIBBEAN, CENTRAL AND SOUTH AMERICA	52	68.3	..	..	..	..	69	121.9
OTHER	16	..	..	..	..	..	20	−1.2
WORLD	2,793	5,562.7	71	95.3	473	927.3	3,337	6,585.3

TABLE 6—*continued*

£ million

Total manufacture	Construction	Transport, communication	Shipping	Distribution	Other financial institutions	Property owning and managing	Other activities	Total non manufacture	Total	
1,171.2	52.3	3.3	11.7	360.3	54.0	24.7	173.0	679.3	1,850.5	WESTERN EUROPE
612.5	49.5	2.1	5.2	192.8	..	..	..	471.8	1,084.2	EEC
38.1	..	..	—	17.1	1.2	—	..	171.5	209.7	Belgium and Luxembourg
23.1	—	—	..	36.3	..	—	..	41.3	64.4	Denmark
96.2	0.7	..	..	23.9	..	—	1.7	66.5	162.8	France
84.0	..	..	..	66.9	..	—	4.1	84.2	168.2	German Federal Republic
19.0	1.7	—	—	7.1	..	..	—	8.7	27.7	Irish Republic
100.8	..	—	..	13.3	—	..	..	13.6	114.4	Italy
251.2	..	..	..	28.1	..	..	2.8	85.9	337.1	Netherlands
555.3	2.8	..	6.5	159.8	..	..	16.3	196.3	751.7	EFTA
14.1	—	—	6.4	..	—	—	..	19.3	33.4	Norway
107.2	0.9	..	..	47.5	..	—	9.0	58.6	165.7	Sweden
410.8	2.0	..	..	66.6	..	..	4.7	82.9	493.8	Switzerland
23.3	—	—	—	..	—	—	..	35.5	58.8	EFTA nes
3.4	—	..	—	7.7	..	..	1.5	11.2	14.6	Other Western Europe
3,420.3	13.3	6.6	..	395.6	29.7	..	160.1	665.9	4,086.3	NORTH AMERICA
344.9	..	—	..	41.1	9.5	..	22.3	77.3	422.3	Canada
3,075.4	..	6.6	..	354.5	20.3	..	137.8	588.6	3,664.0	USA
80.1	..	—	..	44.8	131.2	—	42.2	222.7	302.9	OTHER DEVELOPED COUNTRIES
29.1	..	—	31.7	63.2	4.8	..	64.3	311.4	345.7	REST OF THE WORLD
4,700.7	74.2	9.9	102.6	863.8	219.7	174.6	439.7	1,884.6	6,585.3	WORLD

Made-up clothing: orders and deliveries

In the three months ended November 1976, deliveries by the clothing industry were provisionally estimated to have been 4 per cent higher than in the preceding three months while net new orders were 4 per cent higher. Orders-on-hand at the end of November 1976 were 1 per cent higher than the end-August 1976 level. (These comparisons are based on the seasonally adjusted series in the accompanying table.)

In using the index numbers shown in the table, it should be borne in mind that, when price increases are large, the various problems associated with constructing a constant value series become more acute. Because of these difficulties the relative accuracy of the estimates is likely to have been reduced in recent months.

Made-up clothing

Index numbers of total orders and deliveries

	Orders-on-hand (end period)		Net new orders		Deliveries	
	December 1969 = 100		Average 1970 Deliveries = 100		Average 1970 Deliveries = 100	
1968	107		100		97	
1969	100		97		97	
1970	103		102		100	
1971	119		108		104	
1972	125		110		109	
1973	155		123		117	
1974	145		115		114	
1975	142		118		115	
	Actual	Seasonally adjusted	Actual	Seasonally adjusted	Actual	Seasonally adjusted
1974 1st quarter	164	161	111	115	107	108
2nd quarter	171	149	122	113	113	115
3rd quarter	137	143	96	113	115	117
4th quarter	145	145	129	118	122	118
1975 1st quarter	135	139	116	124	116	121
2nd quarter	165	151	133	119	114	112
3rd quarter	129	141	97	114	114	115
4th quarter	142	149	128	117	116	112
1976 1st quarter	126	130	109	113	113	114
2nd quarter p	154	140	131	120	110	113
3rd quarter p	134	147	106	126	118	120
1974 April	171	163	133	122	115	114
May	182	155	134	109	108	113
June	171	149	100	107	117	118
July	156	149	85	113	112	116
August	143	143	86	112	105	118
September	137	143	116	114	129	116
October	142	140	150	115	141	120
November	152	141	153	122	130	118
December	145	145	85	116	96	115
1975 January	138	137	101	119	103	124
February	134	136	121	123	125	122
March	135	139	124	129	120	119
April	148	147	135	112	118	107
May	167	149	147	120	109	115
June	165	151	116	125	114	115
July	145	145	84	112	110	114
August	132	139	84	109	103	117
September	129	141	123	122	128	115
October	135	140	154	118	135	115
November	144	140	138	110	121	110
December	142	149	91	123	92	111
1976 January	129	128	94	111	102	123
February	128	130	115	117	116	113
March	126	130	117	111	119	107
April p	137	136	133	121	109	108
May p	157	140	155	127	116	123
June p	154	140	104	113	107	108
July p	143	143	99	133	114	118
August p	132	139	85	110	105	119
September p	134	147	134	133	136	123
October p	139	144	158	121	139	119
November p	146	141	149	118	129	118

Inquiries: 01-212 0116.

Engineering sales and orders (SIC orders VII, VIII and IX) up to November

Provisional estimates and seasonally adjusted volume index numbers of engineering sales and orders to November show that trends are continuing to reflect the commencement of the upturn in demand. At the present stage the growth of demand is variable between industries but for the engineering sector as a whole, new orders continued to recover on both home and export markets. Home sales remained flat, but export sales appear to be edging up again. Total order books show signs of beginning to lengthen once more, the improvement in export orders-on-hand just serving to offset the continuing, but slight, decline in home order books.

The inflow of new home orders continued to recover from the low level of the end of 1975, and rose by 5 per cent between August and November according to trend estimates. The increase in new orders received from abroad over the same period was slightly stronger at 6 per cent. The inflow rose sharply throughout the first half of 1976 and, although the rate of increase has moderated somewhat in recent months, the intake of new export business remains high, due largely to the electrical engineering sector.

Many of the goods in sectors where the upturn in new orders has occurred require long production times, and the recovery has not yet worked through to sales. Home sales, which increased slightly from the trough at the beginning of 1976, have since remained practically unchanged for seven months. Export sales made a stronger recovery during the early months of 1976, followed by some decline. The trend in the latest three months to November has reversed again but it is too soon to tell whether the increase of 0.5 per cent is the beginning of a period of sustained export growth.

Seasonally adjusted home orders-on-hand at the end of November were 1 per cent below their level at the end of August; the decline has lasted over two years but has been greatly checked in recent months as the growing intake of new orders approached the level of sales. Export orders-on-hand, however, bottomed out in the second quarter of 1976 when new orders began to overtake sales, since when export order books have been lengthening, with an increase of 5 per cent during the latest three months. The net effect on total orders-on-hand was a rise of 1.5 per cent in the seasonally adjusted figures, and the trend estimates showed a marginal increase between August and November.

The revised figures published in this table are based on the Monthly Engineering Inquiry relating to November 1976. The response rate of 78 per cent to the inquiry for November is judged sufficient to justify publication of provisional indices for this month. Taking into account late returns now received for August, September and October response rates for these months were 93, 93 and 88 per cent, respectively.

When using the volume index numbers and trends shown in the accompanying table, it should be borne in mind that, when price increases are large, the various problems associated with revaluation of the values of engineering sales and orders to constant prices become more acute. Because of these difficulties the relative accuracy of the volume estimates is likely to have been reduced in recent months and studies are currently in hand to ascertain the possible directions and magnitudes of any biasses, which may lead to revisions in due course.

An expanded commentary, together with additional tables, is given in Business Monitor PM 33-36, Engineering (volume indices of sales and orders), obtainable from HMSO, PO Box 569, London SE1 9NH, post free for a subscription of £2.22 per annum. Separate commentaries and volume indices are given for sales, orders-on-hand and net new orders for total, home and export markets, for mechanical, instrument and electrical engineering (SIC orders VII, VIII and IX, respectively).

Inquiries: Department of Industry, Room 618, Dean Bradley House, 52 Horseferry Road, London SW1P 2AG. 01-212 5770.

Index numbers for the combined engineering industries (SIC orders VII, VIII and IX) (a)

Volume index numbers: Orders-on-hand. December 1970 unadjusted = 100 Net new orders and sales, 1970 average monthly sales = 100

	Total			Home			Export		
	Orders-on-hand (end of period)	Net new orders	Sales	Orders-on-hand (end of period)	Net new orders	Sales	Orders-on-hand (end of period)	Net new orders	Sales
Trend estimates									
1974 July	137	110	113	132	108	112	147	114	116
August	136	107	113	131	106	112	146	108	117
September	134	103	113	129	103	112	144	104	117
October	133	100	113	128	99	111	142	101	118
November	130	96	113	125	95	111	140	99	118
December	128	93	113	123	92	111	137	96	118
1975 January	125	92	113	120	91	110	135	95	118
February	122	91	112	117	90	110	132	94	117
March	119	92	111	114	90	109	129	95	117
April	117	92	110	112	90	107	127	97	116
May	115	92	109	109	89	106	125	100	116
June	112	92	108	107	88	104	123	102	115
July	110	91	107	105	86	104	122	103	115
August	108	90	106	102	85	103	120	101	114
September	106	88	105	99	84	102	118	99	113
October	103	87	104	96	83	101	116	96	112
November	101	87	103	94	83	100	114	95	112
December	99	87	103	92	84	99	112	94	112
1976 January	97	88	103	90	86	98	110	95	114
February	95	90	104	89	88	98	108	96	116
March	93	93	104	87	89	99	106	101	117
April	92	95	105	86	90	100	105	106	118
May	91	97	105	84	90	100	104	113	119
June	90	99	105	83	91	100	105	120	118
July	90	102	105	82	92	100	106	125	117
August	90	104	105	81	94	100	108	130	117
September	90	107	105	80	96	100	109	133	117
October	90	108	105	80	97	100	111	135	117
November	91	110	105	80	98	100	112	137	118
Percentage change (b)									
August-November 1976	+0.5	+5.5	+0.5	−2.0	+5.0	+0.5	+4.5	+6.0	+0.5
Seasonally adjusted									
1969	101	100	97	102	99	99	100	102	91
1970	100	99	100	100	99	100	100	100	100
1971	93	97	101	95	98	101	89	93	102
1972	99	103	101	103	108	105	90	91	92
1973	133	134	113	134	136	117	131	131	102
1974	128	109	111	123	105	111	139	118	113
1975	99	90	108	91	87	105	113	98	115
1974 1st quarter	136	117	108	133	109	110	142	135	105
2nd quarter	138	117	112	133	112	111	148	128	113
3rd quarter	134	106	114	130	106	112	144	105	117
4th quarter	128	97	112	123	94	110	139	104	117
1975 1st quarter	119	89	112	114	89	110	128	89	118
2nd quarter	113	95	109	108	92	106	124	102	115
3rd quarter	106	90	107	100	86	103	118	101	114
4th quarter	99	85	103	91	80	100	113	98	112
1976 1st quarter	94	92	103	88	90	98	106	96	116
2nd quarter	90	95	106	83	90	101	103	107	119
3rd quarter	90	106	105	81	95	100	109	132	117
1975 January	124	86	114	119	85	112	135	88	119
February	122	97	113	117	98	111	132	95	118
March	119	85	110	114	85	108	128	85	117
April	116	94	112	111	94	111	126	95	115
May	115	100	107	110	94	104	126	114	115
June	113	90	106	108	86	103	124	98	115
July	109	84	109	104	77	105	121	99	120
August	108	93	102	102	84	99	121	115	110
September	106	94	109	100	96	107	118	88	113
October	103	84	107	96	79	104	116	96	112
November	101	85	103	94	83	98	113	89	114
December	99	87	100	91	77	96	113	110	110
1976 January	96	84	102	89	84	98	109	82	114
February	95	95	101	89	94	96	108	97	113
March	94	97	106	88	92	100	106	109	120
April	92	92	108	86	89	103	105	100	120
May	90	94	107	84	89	102	103	104	120
June	90	99	102	83	91	97	103	118	116
July	90	104	103	81	83	96	107	154	119
August	90	103	104	81	95	100	109	123	113
September	90	111	109	81	108	105	109	119	118
October	90	104	104	80	90	99	111	137	116
November	91	111	105	80	98	98	114	142	120
June-Aug. 1976 (av.)	90	102	103	81	90	98	109	131	116
Sep.-Nov. 1976 (av.)	91	109	106	80	99	101	114	133	118
Percentage change (b)	+1.5	+6.5	+2.5	−1.0	+10.0	+3.0	+5.0	+1.0	+1.5

(a) All figures are provisional.

(b) For orders on hand, the percentage changes compare the level at the end of the latest period shown with the corresponding level for the earlier period. The percentage changes have been based on the unrounded values and are given to the nearest half percentage point.

Steel consumption and stocks in the fourth quarter 1976

Consumption
Consumption of finished steel in the fourth quarter of 1976 is provisionally estimated to have been 3.97 million tonnes (5.35 million tonnes ingot equivalent) seasonally adjusted. With the exception of the first quarter 1976 this is the highest consumption since the first quarter of 1975. It is estimated that consumption in 1976 was 1½ per cent up on the previous year.

Receipts
The provisional level of deliveries from UK producers to consumers and stockholders is estimated to have been 3.17 million tonnes; imports were high at 0.89 million tonnes and stocks with stockholders increased during the quarter. Total receipts by consumers are estimated therefore to have been 4.03 million tonnes. The total receipts by consumers were the highest since the first quarter of 1975 and for the year were 4 per cent higher than for the year 1975.

Stocks
Consumers and stockholders continue to increase their stocks. Consumers are estimated during the fourth quarter to have increased their stock by 0.06 million tonnes; which deducted from their receipts of 4.03 million tonnes gives an estimated consumption of 3.97 million tonnes in the quarter. The increase of 0.03 million tonnes by stockholders brings the total increase in the combined stocks held by consumers and stockholders to 0.09 million tonnes. The ratio of stocks to weekly consumption is estimated to be 18.1 weeks.

Table 1 shows estimated consumption, deliveries and stocks since 1969.

Table 2 It is not possible yet to give a breakdown of stocks for the individual products, in respect of the fourth quarter of 1976.

Inquiries: 01-212 5544.

New companies registered

Details are given below of new companies registered in Great Britain during January 1977 showing nominal capital. The figures are exclusive of unlimited companies and companies limited by guarantee.

Nominal capital	Total	Public companies	Private companies
Not exceeding £100	1,970	—	1,970
Over £100 but under £1,000	42	—	42
£1,000 but under £10,000	749	—	749
£10,000 but under £50,000	336	—	336
£50,000 but under £100,000	57	—	57
£100,000 but under £1,000,000	65	—	65
£1,000,000 and over	6	—	6
Total number	3,225	—	3,225
	£ thous	£ thous	£ thous
Total amount of nominal capital	30,825	—	30,825

Companies registered in Great Britain in 1976 and 1977 are as follows:

	1976		1977	
	Number	Nominal capital £ thous	Number	Nominal capital £ thous
January	3,476	21,780	3,225	30,825
February	4,088	19,228		
March	6,190	41,680		
April	4,150	22,354		
May	4,343	25,095		
June	5,624	25,815		
July	4,954	58,659		
August	4,221	44,690		
September	4,377	25,342		
October	4,600	34,544		
November	4,667	60,549		
December	4,655	147,053		
Total	55,345	526,789		

Registrations of British, community and foreign films

The following are details of films registered by the Department of Trade under the Films Acts 1960 to 1970, as amended by the European Communities Act 1972, during the week ended Friday, 18 February 1977.

BR/E indicates that the film is a British quota film, EC that the film is a quota film. The date which forms part of the registration number of each is the date on which quota life of the film expires.

Title of film	Registered no.	Playing time minutes	Date of registration	Registered in the name of	Maker's name
			BRITISH		
Hedda	BR/E 38970/20/2/82	102	14 February	Scotia-Barber Distributors Ltd	Bowden Productions Ltd, London
A Long Walk Home	BR/E 38972/20/2/82	10	15 February	Columbia-Warner Distributors Ltd	South Australian Government Tourist Bureau
Blue Belle	BR/E 38976/20/2/82	87	14 February	Miracle Films Ltd	Barongreen Ltd, London
25 Years	BR/E 38978/20/2/82	77	16 February	EMI Film Distributors Ltd	EMI Film Distributors Ltd, London
The Royal Windsor Horse Show	BR/E 38980/20/2/82	33	17 February	EMI Film Distributors Ltd	Merck Sharp and Dohme Ltd, Herts
Sensations	BR/E 38984/20/2/82	34	18 February	Oppidan (UK) Ltd	Oppidan (UK) Ltd, London
Movietone News 2489	BR/E 38850/20/2/82	8	18 February	British Movietonews Ltd	British Movietonews Ltd
			COMMUNITY		
Danish Escort Girls	EC 38981/20/2/82	99	18 February	Gala Film Distributors Ltd	Palladium, Copenhagen
The Pink Telephone	EC 38982/20/2/82	93	18 February	Gala Film Distributors Ltd	SNEG Ste Nelle des Ets Gaumont Productions 2000, Paris
Dreams Of Thirteen	EC 38983/20/2/82	76	18 February	Oppidan (UK) Ltd	Cinereal Film P. Greulich u. H. Freitag OHG, Berlin
			FOREIGN		
Killers Of The Wild	F 38973	91	15 February	Hemdale International Films Ltd	BPR Productions Inc, New York
Sicilian Cross	F 38974	102	15 February	Hemdale International Films Ltd	Universal Orb, ET, Geneva
Shadow Man (L'Homme Sans Visage)	F 38975	88	16 February	Connoisseur Films Ltd	Terra Film, Paris
Shudder	F 38977	84	16 February	New Realm Distributors Ltd	Mansion Distributing Corporation, Hollywood
Network	F 38979	121	17 February	United Artists Corporation Ltd	Simcha Productions Inc, New York
The Magic Rolling Board	F 38985	14	18 February	United Artists Corporation Ltd	Mac Gillivray Freeman Films, California

AMENDMENT TO THE REGISTER
The title of the film 'Snow White And The Seven Perverts' (BR/E 37078/14/10/78), registered on 10 October 1973, has been amended to 'One Day My Prince Will Come'.

TABLE 1 Consumption, deliveries and stocks of finished steel

Seasonally adjusted

	Consumption m. tonnes	Deliveries m. tonnes			Stocks at end of period m. tonnes			Ratio of stocks to weekly consumption (b)		
		From UK production to consumers and stockholders	Imports	Total to consumers (a)	Consumers	Stockholders	Total	Consumers	Stockholders	Total
1969	17.78	17.14	1.18	18.28	3.77	0.63	4.40	10.8	1.9	12.7
1970	17.64	17.10	1.04	17.91	4.15	0.87	5.02	11.9	2.5	14.4
1971	16.72	14.50	1.41	16.07	3.47	0.71	4.18	11.5	2.3	13.8
1972	16.75	14.59	2.14	16.72	3.44	0.72	4.16	9.6	2.0	11.6
1973	18.45	16.80	2.51	19.45	4.44	0.58	5.02	13.2	1.8	15.0
1974	17.58	15.07	3.29	18.07	4.96	0.87	5.83	15.1	2.6	17.7
1975	15.45	12.03	3.03	15.01	4.53	0.92	5.45	14.5	2.9	17.4
1976 p	15.70	12.64	3.15	15.63	4.46	1.08	5.54	14.6	3.5	18.1
1973 1st quarter	4.67	4.15	0.65	4.80	3.57	0.73	4.30	10.6	2.2	12.8
2nd quarter	4.37	4.13	0.44	4.61	3.82	0.68	4.50	10.8	1.9	12.7
3rd quarter	4.60	4.26	0.61	4.91	4.12	0.64	4.76	11.1	1.8	12.9
4th quarter	4.81	4.26	0.81	5.13	4.44	0.58	5.02	13.2	1.8	15.0
1974 1st quarter	4.36	3.98	0.97	4.92	5.00	0.62	5.62	14.2	1.8	16.0
2nd quarter	4 59	3.93	0.82	4.62	5.06	0.75	5.81	15.5	2.3	17.8
3rd quarter	4.25	3.56	0.70	4.19	5.00	0.81	5.81	14.8	2.4	17.2
4th quarter	4.38	3.60	0.80	4.34	4.96	0.87	5.83	15.1	2.6	17.7
1975 1st quarter	4.27	3.55	0.85	4.26	4.95	1.01	5.96	17.4	3.6	21.0
2nd quarter	3.70	2.88	0.66	3.56	4.82	0.99	5.81	16.8	3.5	20.3
3rd quarter	3.71	2.76	0.74	3.56	4.67	0.93	5.60	16.1	3.2	19.3
4th quarter	3.77	2.84	0.78	3.63	4.53	0.92	5.45	14.5	2.9	17.4
1976 1st quarter	4.07	3.05	0.84	3.91	4.37	0.90	5.27	14.6	3.0	17.6
2nd quarter	3.88	3.18	0.72	3.86	4.35	0.94	5.29	14.9	3.2	18.1
3rd quarter	3.78	3.24	0.70	3.83	4.40	1.05	5.45	15.1	3.6	18.7
4th quarter p	3.97	3.17	0.89	4.03	4.46	1.08	5.54	14.6	3.5	18.1

(a) Total deliveries to consumers are deliveries from UK production to consumers and steel stockholders plus imports minus stock build by steel stockholders.
(b) Calculated as stocks divided by weekly consumption in the following quarter, with the exception of the latest quarter when the divisor is weekly consumption in that quarter.

TABLE 2 Stocks of finished steel held by consumers and stockholders

Seasonally adjusted

million tonnes

	Sheets	Plates	Tinplate	Rods and bars for reinforcement	Other steel products	Total all products
CONSUMERS						
1972	0.42	0.70	0.14	0.15	2.03	3.44
1973	0.60	0.91	0.16	0.22	2.55	4.44
1974	0.61	1.07	0.17	0.23	2.88	4.96
1975	0.41	1.05	0.12	0.23	2.72	4.53
1975 1st quarter	0.55	1.09	0.19	0.23	2.89	4.95
2nd quarter	0.49	1.10	0.15	0.25	2.83	4.82
3rd quarter	0.43	1.12	0.14	0.22	2.76	4.67
4th quarter	0.41	1.05	0.12	0.23	2.72	4.53
1976 1st quarter	0.41	0.96	0.15	0.23	2.62	4.37
2nd quarter	0.46	0.93	0.16	0.21	2.59	4.35
3rd quarter	0.50	0.89	0.16	0.23	2.62	4.40
4th quarter p						4.46
STOCKHOLDERS						
1972	0.20	0.12	0.02	0.01	0.37	0.72
1973	0.15	0.11	0.02	0.01	0.29	0.58
1974	0.27	0.18	0.01	0.01	0.40	0.87
1975	0.23	0.24	0.01	0	0.44	0.92
1975 1st quarter	0.30	0.23	0.01	0	0.47	1.01
2nd quarter	0.27	0.25	0.01	0	0.46	0.99
3rd quarter	0.24	0.24	0.01	0	0.44	0.93
4th quarter	0.23	0.24	0.01	0	0.44	0.92
1976 1st quarter	0.23	0.25	0.01	0	0.41	0.90
2nd quarter	0.23	0.27	0.01	0	0.43	0.94
3rd quarter	0.27	0.30	0.02	0	0.46	1.05
4th quarter p						1.08
TOTAL						
1972	0.62	0.82	0.16	0.16	2.40	4.16
1973	0.75	1.02	0.18	0.23	2.84	5.02
1974	0.88	1.25	0.18	0.24	3.28	5.83
1975	0.64	1.29	0.13	0.23	3.16	5.45
1975 1st quarter	0.85	1.32	0.20	0.23	3.36	5.96
2nd quarter	0.76	1.35	0.16	0.25	3.29	5.81
3rd quarter	0.67	1.36	0.15	0.22	3.20	5.60
4th quarter	0.64	1.29	0.13	0.23	3.16	5.45
1976 1st quarter	0.64	1.21	0.16	0.23	3.03	5.27
2nd quarter	0.69	1.20	0.17	0.21	3.02	5.29
3rd quarter	0.77	1.19	0.18	0.23	3.08	5.45
4th quarter p						5.54

Footwear industry: orders, deliveries and stocks

In the three months ended November 1976 deliveries were estimated to be 10 per cent higher, on a seasonally adjusted pairage basis, than in the three months ended August 1976. Net new orders were 22 per cent higher than in the previous three months, while at the end of November orders on hand were 15 per cent up on the August 1976 level. The index of output in the three months ended November 1976 was 6 per cent higher than in the three months ended August 1976.

A detailed breakdown of manufacturers' deliveries by type of footwear in pairage and value terms, together with figures of exports, imports, consumers' expenditure, prices and employment is published in the Business Monitor Production series under the reference PQ 450.

The index of output is calculated from the value of total sales and work done by firms classified to the footwear industry (Minimum List Heading 450 of the Standard Industrial Classification). In using the index numbers it should be borne in mind that when price increases are large, the various problems associated with constructing a constant price value series become more acute. Because of these difficulties the relative accuracy of the estimates is likely to have been reduced in recent years.

The data on pairage and value relate to complete footwear only sold by manufacturers, classified to MLH 450 and to other industries (eg rubber) in the SIC, employing 25 or more persons.

Index of output: Orders on hand, net new orders, deliveries and stocks of complete footwear

Monthly averages or monthly totals

	Index of output 1970 = 100	Orders on hand (end period)		Net new orders		Deliveries		Stocks (end period)
		Million pairs	£ million	Million pairs	£ million	Million pairs	£ million	Million pairs
1966		33.6				16.4		
1967		37.8		16.5		16.1		
1968	113	41.6		17.3		17.0		
1969	108	34.6		15.9		16.5		
1970	100	38.9		16.6		16.2		
1971	108	32.5	55.7	15.7		16.2	23.8	19.4
1972	104	29.5	59.6	15.2	24.8	15.4	24.5	18.5
1973	108	46.2	85.2	17.1	30.5	15.7	28.4	16.5
1974	107	44.3	79.5	14.3	30.9	14.4	31.3	18.0
1975	101	38.8	91.8	13.2	36.2	13.7	35.1	15.8
	Seasonally adjusted	Actual	Actual	Actual	Seasonally adjusted	Actual	Actual	Seasonally adjusted	Actual	Actual
1975 1st quarter	106	36.2	63.2	11.9	11.0	31.3	14.6	14.6	36.7	18.3
2nd quarter	95	41.2	82.4	14.0	13.4	36.8	12.3	13.1	30.4	23.1
3rd quarter	101	33.1	70.0	11.4	13.9	33.1	14.1	13.8	37.2	17.4
4th quarter	101	38.8	91.8	15.5	14.6	43.4	13.6	13.4	36.1	15.8
1976 1st quarter	101	42.6	89.2	14.6	13.1	38.9	13.3	12.9	39.8	19.0
2nd quarter	99	46.3	107.5	12.8	12.9	40.4	11.5	12.4	34.3	20.9
3rd quarter	100	36.9	90.6	10.1	12.0	35.4	13.2	12.8	41.0	17.2
1975 January	109	39.2	71.7	9.6	9.3	29.0	14.7	14.8	36.8	
February	110	33.8	63.2	9.4	8.9	29.1	14.8	14.7	37.6	
March	99	36.2	63.2	16.6	14.7	35.7	14.1	14.2	35.7	
April	91	40.3	75.2	17.2	13.1	43.8	13.1	12.9	31.9	
May	89	44.0	88.0	14.8	13.6	40.0	11.1	12.5	27.2	
June	105	41.2	82.4	9.9	13.5	26.5	12.8	13.9	32.1	
July	104	34.0	68.8	6.7	10.7	24.3	13.8	13.6	37.9	
August	98	33.0	67.5	11.3	15.5	30.0	12.3	13.6	31.3	
September	103	33.1	70.0	16.3	15.5	44.9	16.2	14.1	42.4	
October	102	38.5	87.2	21.8	16.2	59.9	16.4	13.6	42.8	
November	100	38.8	92.8	13.8	12.4	40.5	13.5	13.3	34.9	
December	102	38.8	91.8	10.9	15.4	29.7	11.0	13.2	30.6	
1976 January	105	38.9	88.2	13.2	13.4	33.9	13.1	13.8	37.6	
February	104	40.0	89.3	14.1	13.2	40.3	12.9	12.8	39.2	
March	94	42.6	89.2	16.5	12.8	42.5	13.9	12.1	42.6	
April	95	43.2	94.4	12.2	9.7	39.7	11.6	12.0	34.5	
May	103	48.0	108.4	15.9	15.4	47.0	11.1	13.1	33.0	
June	100	46.3	107.5	10.2	13.4	34.4	11.8	12.2	35.3	
July	95	40.8	91.5	6.3	10.4	21.3	11.8	12.2	37.3	
August	98	38.1	88.7	8.8	11.4	34.0	11.5	12.0	36.9	
September	106	36.9	90.6	15.1	14.2	50.8	16.3	14.1	48.9	
October	103	42.9	106.4	20.9	16.8	59.5	14.9	13.5	43.6	
November p	101	43.8	120.1	14.9	12.1	56.4	14.0	12.5*	42.8	

p = Provisional.

* Based on early returns, seasonally adjusted deliveries in December are estimated to be 15 million pairs.

Inquiries: 01-212 0494.

'Economic Progress Report' for February

In dollar terms the current account deficit fell by as much as 27 per cent in 1976. The Treasury's latest monthly economic assessment published in the February issue of *Economic Progress Report* points out that while in terms of sterling the deficit fell from nearly £1.7 billion to under £1.6 billion, measured in dollars it fell from $3.7 billion to $2.7 billion. In many ways the dollar measure is the more appropriate, since any deficit must be financed by overseas borrowings in foreign currencies, or by drawing on the reserves.

Confidence has much improved in financial markets since the December measures and agreements with the IMF and BIS. The money supply fell in December, due to substantial sales of gilt-edged to the public and low demand for credit from the central government. Public sector deficits this year are well within Budget forecasts, in spite of the adverse effects of slow economic growth on tax revenues and increased public spending related to the recession. Output showed some sign of improvement in the autumn.

The four main ways in which public sector borrowing is financed are explained: increases in notes and coin taken up by the public, borrowing from the UK public, borrowing in sterling from the banks, and borrowing from overseas.

An article explains what is meant by profits, where they go, and why they matter. It describes the fall in profitability and what the government has been doing to improve the situation.

Release dates of economic statistics to be published in March

This notice is issued by the Central Statistical Office on behalf of the Government Statistical Service and other organisations as a guide to the dates of publication of major economic series in March. The dates are those which departments, or other organisations concerned, are aiming at, and would normally expect to meet. Exceptionally, there may be a delay resulting from unavoidable statistical problems of collection and compilation. Further inquiries about individual series should be addressed to the source named.

Publication date	Series	Method of release	Source
March			
2 Wed	Capital issues and redemptions (during the month of February)	PN	Bank of England
	UK official reserves (Feb)	PN	HM Treasury
3 Thurs	Unemployment (Jan – final)	Gazette	Department of Employment
	Employment in production industries (Oct)		
	Overtime and short-time working in manufacturing industries (Oct)		
	Stoppages of work due to industrial disputes (Jan)		
	Public sector borrowing requirement and details of local authority borrowing (4th qtr)	PN	CSO
7 Mon	Wholesale price index numbers (Feb – prov)	PN	Department of Industry
	Retail sales (Jan – final)	PN	Department of Industry
	Hire purchase and other instalment credit business (Jan)	PN	Department of Industry
	CBI Monthly Trends Inquiry (Feb)	PN	CBI
8 Tues	United Kingdom balance of payments (4th qtr)	PN	CSO/ Treasury
	Construction-output (4th qtr)	PN	Department of the Environment
	Provisional figures of vehicle production and estimates of new car registrations (Feb)	PN	Department of Industry
9 Wed	UK banks' eligible liabilities, reserve assets, reserve ratios and special deposits (mid-Feb)	PN	Bank of England
	London clearing banks' monthly statement (mid-Feb)	PN	CLCB
	Central Government financial transactions (including borrowing requirements) (Feb)	PN	HM Treasury
	House renovation grants approved (Jan)	PN	Department of the Environment
	Housing starts and completions (Jan)	PN	Department of the Environment
11 Fri	Company liquidity survey (4th qtr)	Trade and Industry	Department of Industry
	Building Societies receipts and loans (Feb)	PN	BSA
	Usable steel production (Feb)	PN	BSC/ BISPA
14 Mon	Retail sales (Feb – prov)	PN	Department of Industry
	Balance of payments current account and overseas trade figures (Feb)	PN	Department of Trade/ CSO
15 Tues	Index of industrial production (Jan)	PN	CSO
17 Thurs	UK banking sector statistics (4th qtr)	Bulletin	Bank of England
	Financing of the Central Government Borrowing Requirement (4th qtr)		
	Money stock (4th qtr)		
	UK banks' assets and liabilities and the money stock (mid-Feb)	PN	Bank of England
	London dollar and sterling certificates of deposit (mid-Feb)	PN	Bank of England
18 Fri	Retail prices index (Feb)	PN	Department of Employment
	Gross domestic product (4th qtr – prov)	PN	CSO
20 Sun	National Savings monthly progress report (Feb)	PN	National Savings Committee
21 Mon	Basic rates of wages and normal weekly hours (Feb)	PN	Department of Employment
	Monthly index of average earnings (Jan)		
	Construction – new orders (Jan)	PN	Department of the Environment
22 Tues	Unemployment (Mar – prov)	PN	Department of Employment
	Unfilled vacancies (Mar – prov)		
23 Wed	New vehicle registrations (Feb)	PN	Department of Transport
	Bricks and cement production (Feb)	PN	Department of the Environment
24 Thurs	Manufacturers' and distributors' stocks (4th qtr – rev)	PN	Department of Industry
	Capital expenditure by the manufacturing, distributive and service industries (4th qtr – rev)	PN	Department of Industry
	Car and commercial vehicle production (Feb – final)	PN	Department of Industry
	Finished steel consumption and stock changes (4th qtr – final)	PN	Department of Industry
25 Fri	Sales and orders in the engineering industries (Dec)	Trade and Industry	Department of Industry
28 Mon	Quarterly analysis of bank advances (mid-Feb)	PN	Bank of England
	National Food Survey report on consumption (4th qtr)	PN	Ministry of Agriculture, Fisheries and Food
31 Thurs	Unemployment (Feb – final)	Gazette	Department of Employment
	Employment in production industries (Nov, Dec and Jan)		
	Overtime and short-time working in manufacturing industries (Nov, Dec and Jan)		
	Stoppages of work due to industrial disputes (Feb)		
	Energy Trends	PN	Department of Energy

PN = Press Notice.

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Index to statistics and organisational information published regularly in 'Trade and Industry'

A = annually M = monthly Q = quarterly 6M = every six months.

Title	Last published
Air transport: trade by air (A)	16 July 1976
Balance of payments:	
current account (M)	18 Feb. 1977
trends in invisible transactions	22 Oct. 1976
(*see also* Overseas trade of the UK)	
Business names and limited partnerships (A)	18 Feb. 1977
Capital expenditure: manufacturing, distributive and service industries (Q)	7 Jan. 1977
By regions	18 Feb. 1977
Catering trades turnover (M)	18 Feb. 1977
Census of production (A)	28 Jan. 1977
Chemicals industry activity (Q)	7 Jan. 1977
Companies:	
acquisitions and mergers (Q)	11 Feb. 1977
Liquidations *see* Insolvencies	
liquidity (Q)	10 Dec. 1976
new registrations:	
Gt. Britain (M)	This week
N. Ireland (M)	4 Feb. 1977
rate of return on capital (A)	8 Oct. 1976
Structure of company financing	4 Feb. 1977
Construction work overseas (A)	15 Oct. 1976
EEC economic indicators	18 Feb. 1977
Energy trends (M)	4 Feb. 1977
Engineering industries: sales and orders (M)	This week
Film industry	
British Film Fund Agency returns (M)	11 Feb. 1977
cinema admissions and takings (M)	4 Feb. 1977
overseas payments and earnings (A)	20 Aug. 1976
registrations of films (A)	4 Feb. 1977
Food:	
consumption levels (6M)	27 Aug. 1976
household consumption (Q)	7 Jan. 1977
Footwear industry: production, orders and deliveries (M)	This week
Foreign exchange: official reserves (M)	11 Feb. 1977
Foreign trade: industrial countries' production and trade (Q)	3 Dec. 1976
(*see also* Overseas trade of the UK)	
Hire-purchase business (M)	11 Feb. 1977
Industrial production:	
index numbers (M)	This week
Scotland	28 Jan. 1977
Wales	28 Jan. 1977
Insolvencies (Q)	4 Feb. 1977
Insurance companies: investments and assets (A)	20 Aug. 1976
Investment:	
book values of overseas direct investments (every 3 years)	This week
industry's investment intentions (3 times a year)	8 Oct. 1976
investment and earnings overseas (A)	25 June 1976
Man-made fibres:	
deliveries (Q)	3 Dec. 1976
production (M)	11 Feb. 1977
production: quarterly analysis (Q)	3 Dec. 1976
Metal-working machine tools (M)	11 Feb. 1977
Motor industry:	
car and commercial vehicle production (M)	4 Feb. 1977
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Office development permits (Q)	26 Nov. 1976
Overseas trade of the UK:	
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ten-year back run (A)	12 Mar. 1976
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(*see also* Balance of payments)	
Pension funds: investments and assets (A)	20 Aug. 1976
Regional development grants (Q)	4 Feb. 1977
Regional selective assistance monthly summary (M)	21 Jan. 1977
Regional selective assistance: offers £10,000 or more (Q)	28 Jan. 1977
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Retail prices index (M)	This week
Retail trades:	
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sales, N. Ireland (M)	11 Feb. 1977
stocks (M)	18 Feb. 1977
Royalties: overseas transactions (A)	25 June 1976
Shipping: nationality of vessels in UK sea-borne trade (A)	9 July 1976
Steel consumption and stocks (Q)	This week
Stocks:	
manufacturers' and distributors' quarterly figures (Q)	7 Jan. 1977
manufacturers' stocks: monthly estimates (M)	28 Jan. 1977
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Television: overseas payments and earnings (A)	20 Aug. 1976
Textiles:	
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Wholesale prices:	
average prices of selected commodities (A)	9 Apr. 1976
index numbers (M)	18 Feb. 1977

Departmental organisations etc.

British commercial representation overseas	8 Oct. 1976
Customs notices of interest to exporters	1 Oct. 1976
ECGD local offices	10 Dec. 1976
Guide to departments	3 Dec. 1976
Official Receivers' offices	15 Oct. 1976
Programme of trade promotions	11 Feb. 1977
Release dates of economic statistics	This week

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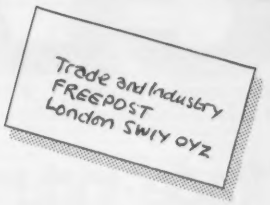

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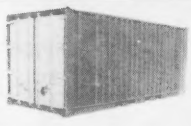

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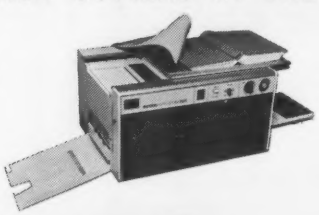
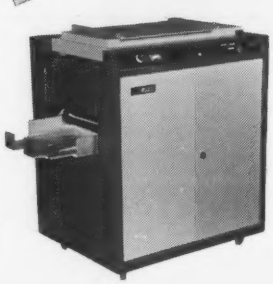


(B)



(C)

(A) APECO 300. For plain paper copies of outstanding and consistent quality. Variable cassette loading with by-pass for double-sided copies and specials.

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ISBN 0 11 724844 4